A MARI USQUE AD MARE

Improved Program Delivery

Indians and Natives

A Study Team Report
to the Task Force on Program Review

INDIAN AND NATIVE PROGRAMS

A STUDY TEAM REPORT
TO THE TASK FORCE
ON PROGRAM REVIEW

APRIL 1985

© Minister of Supply and Services Canada 1986

Available in Canada through

Authorized Bookstore Agents
and other bookstores

or by mail from

Canadian Government Publishing Centre
Supply and Services Canada
Ottawa, Canada K1A 0S9

Catalogue No. CP32-50/12-1985E Canada: $29.00
ISBN 0-660-11982-X Other Countries: $34.80

Price subject to change without notice

CONTENTS

FOREWORD i

PREFACE v

TERMS OF REFERENCE 1

LIST OF TEAM MEMBERS 15

OVERVIEW OF INDIAN AND NATIVE PROGRAMS 17

RESERVES AND TRUSTS

- Category Review 55
- Reserves and Trusts 59

ECONOMIC DEVELOPMENT

- Category Review 65
- Special ARDA 74
- Native Economic Development Program 77
- DIAND Economic Development Program 84
  - Business Development 88
  - Eskimo Loan Fund 92
  - Institutional Support 96
  - Community Development Support Services Delivery 101
  - Renewable Resources 103

TRAINING AND SHORT-TERM JOB CREATION

- Category Review 107
- Indian/Inuit Employability Development Programs 117
- Indian/Inuit Employment Development 120
- Training and Employment Northern 122
- *Outreach Program 125
- *Youth Training Option 128
- *Native Internship Program 131
- *National Institutional Training Programs 133
- *National Industrial Training Program 139
- *Skills Growth Fund 145
- *Career Access 148
- Options North 152
- *Affirmative Action Program/Federal Contracts Program 154

* Assessments prepared by Job Creation & Training Study Team

*Local Employment Assistance and Development 157
*Canada Works 162
*Affirmative Action (Indigenous People) 168

REGIONAL DEVELOPMENT AGREEMENTS

Category Review 171
Canada/NWT Economic Development Agreement 175
Canada/NWT Financial Agreement 179
Canada/Yukon Financial Agreement 182
Canada/Manitoba Northern Development Agreement 185
Canada/Manitoba Winnipeg Core Development Agreement 191
Canada/Saskatchewan Northern Economic Development Agreement 194
Canada/Newfoundland Native Peoples Agreement 198

MAJOR RESOURCE DEVELOPMENT

Category Review 201
Northern Participation in Public Reviews 204
Resource Development Impacts Program 207
Norman Wells Impacts Project 212
Canada/Manitoba Northern Flood Agreement 215

NATURAL RESOURCE AGREEMENTS

Category Review 221
Resource Development Agreement with Ontario 225
Canada/Manitoba/Saskatchewan/NWT Caribou Management Agreement 229
Canada/NWT Sub-Agreement on Natural Resource Development 233
Salmonid Enhancement Program 237
Federal/Provincial Forestry Sub-Agreements 240

NATIVE CLAIMS

Category Review 243
Claimant Research and Negotiation 247
Claims Negotiation (Non-Statutory) 249
Claims Settlements 251
    CREE/NASKAPI and Inuit of the Regions of James Bay and Northern Quebec 256
    Committee for Original Peoples' Entitlement 263

* Assessments prepared by Job Creation & Training Study Team

LOCAL GOVERNMENT SUPPORT

Category Review 267
Local Government Support 270
  Funding for Band Government 276
  Indian and Inuit Management Development 280
  Management Support Services 284
  Consultation and Policy Development 288
  Comprehensive Community-Based Planning 292

INFRASTRUCTURE

Category Review 297
Infrastructure Assets and Facilities (Capital and O&M) 300
  Northern Quebec Transfer Agreement 306
Coastal Labrador Airstrip Program 309
Northern Quebec Air Transportation Infrastructure 311

HOUSING

Category Review 313
Indian and Inuit Housing 317
Rural and Native Housing 325

INDIAN AND INUIT HEALTH SERVICES

Category Review 329
Indian and Northern Health Services 333
  Non-Insured Indian/Inuit Health Benefits 347
  Community Health Representatives 354
  Native Alcohol and Drug Abuse 358
Contribution to NWT/Yukon for Medical Care of Indians and Inuits 362

INDIAN AND INUIT EDUCATION

Category Review 365
Indian and Inuit Elementary and Secondary Education 369
  Elem/Secondary - Provincial Schools 378
  Elem/Secondary - Federal Schools 381
  Elem/Secondary - Band Operated Schools 385
  Elem/Secondary - Accommodation and Financial Assistance 389
  Elem/Secondary - Transportation 392
Indian and Inuit Post-Secondary Education 395
Education Capital Facilities 402

SOCIAL ASSISTANCE AND WELFARE

- Category Review 407
- Social Assistance 411
  - Canada/Ontario Welfare Agreement 417
- Indian and Inuit Child Welfare Services 420
  - Canada/Nova Scotia Child Welfare Agreement 424
  - Canada/Manitoba Indian Child Welfare Agreement 427
  - Canada/Northern Manitoba Indian Child Welfare Agreement 430
  - Canada/New Brunswick Indian Child Welfare Agreement 433
  - Canada/Alberta Lesser Slave Lake Child Welfare Agreement 436
  - Canada/Yukon Child Welfare Agreement 439
- Indian and Inuit Adult Care 442
- Indian and Inuit Individual and Family Care Welfare Services 446
- Indian and Inuit Rehabilitation Services 449
- Community Social Services 451

CULTURE AND COMMUNICATIONS

- Category Review 455
- Indian Cultural/Education Centres Program 462
- Inuit Culture and Linguistics 466
- Indian Cultural Development and Art 471
- Indian Recreation Program 475
- Native Communications Program 478
- Northern Broadcast Access Program 481
- Native Friendship Centres Program 485
- Native Social and Cultural Development Program 488
- Native Representative Organizations (Core Funding) 491
- Aboriginal Women's Program 498
- Constitutional Support 501

ADMINISTRATION OF JUSTICE

- Category Review 505
- Policing 508
- Native Justice Programs 515
- Native Courtworker Program 519
- Native Law Students Program 522

FOREWORD

The Task Force on Program Review was created in September 1984 with two major objectives - better service to the public and improved management of government programs. Recognizing the desirability of involving the private sector in the work of program review, assistance from national labour, business and professional organizations was sought. The response was immediate and generous. Each of these national organizations selected one of their members to serve in an advisory capacity. These public spirited citizens served without remuneration. Thus was formed the Private Sector Advisory Committee which has been responsible for reviewing and examining all of the work of program review.

The specific program reviews have been carried out by mixed study teams composed of a balance of private sector and public sector specialists, including representatives from provincial and municipal governments. Each study team was responsible for the review of a "family" of programs and it is the reports of these study teams that are published in this series. These study team reports represent consensus, including that of the Private Sector Advisory Committee, but not necessarily unanimity among study team members, or members of the Private Sector Advisory Committee, in all respects.

The review is unique in Canadian history. Never before has there been such broad representation from outside government in such a wide-ranging examination of government programs. The release of the work of the mixed study teams is a public acknowledgement of their extraordinarily valuable contribution to this difficult task.

Study teams reviewed existing evaluations and other available analyses and consulted with many hundreds of people and organizations. The teams split into smaller groups and consulted with interested persons in the private sector. There were also discussions with program recipients, provincial and municipal governments at all levels, from officials to cabinet ministers. Twenty provincial officials including three deputy ministers were members of various study teams.

The observations and options presented in these reports were made by the study teams. Some are subjective. That was necessary and appropriate considering that the review phase of the process was designed to be completed in a little more than a year. Each study team was given three months to carry out its work and to report. The urgent need for better and more responsive government required a fresh analysis of broad scope within a reasonable time frame.

There were several distinct stages in the review process. Terms of reference were drawn up for each study team. Study team leaders and members were appointed with assistance from the Private Sector Advisory Committee and the two Task Force Advisors: Mr. Darcy McKeough and Dr. Peter Meyboom. Mr. McKeough, a business leader and former Ontario cabinet minister, provided private sector liaison while Dr. Meyboom, a senior Treasury Board official, was responsible for liaison with the public sector. The private sector members of the study teams served without remuneration save for a nominal per diem where labour representatives were involved.

After completing their work, the study teams discussed their reports with the Private Sector Advisory Committee. Subsequently, their findings were submitted to the Task Force led by the Deputy Prime Minister, the Honourable Erik Nielsen. The other members are the Honourable Michael Wilson, Minister of Finance, the Honourable John Crosbie, Minister of Justice, and the President of the Treasury Board, the Honourable Robert de Cotret.

The study team reports represent the first orderly step toward cabinet discussion. These reports outline options as seen by the respective study teams and present them in the form of recommendations to the Task Force for consideration. The reports of the study teams do not represent government policy nor are they decisions of the government. The reports provide the basis for discussion of the wide array of programs which exist throughout government. They provide government with a valuable tool in the decision-making process.

Taken together, these volumes illustrate the magnitude and character of the current array of government programs and present options either to change the nature of these programs or to improve their management. Some decisions were announced with the May budget speech, and some subsequently. As the Minister of Finance noted in the May budget speech, the time horizon for implementation of some measures is the end of the decade. Cabinet will judge the pace and extent of such change.

These study team reports are being released in the hope that they will help Canadians understand better the complexity of the issues involved and some of the optional solutions. They are also released with sincere acknowledgement to all of those who have given so generously of their time and talent to make this review possible.

PREFACE

The report on Indian and native programs, like all the others, was prepared by a mixed study team from the private sector and public sector and by the Private Sector Advisory Committee.

The report of the study team was released prematurely, without the foreknowledge or the sanction of the government. On April 18, 1985, the Prime Minister and the Deputy Prime Minister confirmed that the report of the study team had been the basis for news coverage and subsequent public discussion, including in the House of Commons. The Prime Minister reaffirmed that the aboriginal policies of the government are based on certain principles, which he had set out at the First Ministers' Conference on the Rights of Aboriginal Peoples two weeks previously. The Prime Minister also confirmed that he had asked the Minister of Indian Affairs and Northern Development to chair a cabinet committee to consider ongoing government-wide aboriginal policy.

The Minister of Indian Affairs and Northern Development told the House of Commons that the study team report would be examined by the Cabinet Committee. He assured the House that all the proposals of the study team would be subject to open public discussion with aboriginal people before policy decisions are made.

Since his appointment, the Minister of Indian Affairs and Northern Development has carried out extensive consultations with Indians and other native people. He has travelled 100,000 kilometres to Indian reserves and native communities since assuming the portfolio. One of the Minister's main thrusts has been a fundamental review of comprehensive claims policy, which has considered the views of claimant groups, provincial and territorial governments, as well as other organizations and individuals across Canada.

All of the study team reports, including this one, have been edited for format, syntax and clarity, to prepare them for publication. In instances where it may have been unclear that judgements, observations and options were those of the study teams, attributions have been made. However, the analysis is that of the study team on Indian and native programs, as are the options for change. It is the government's prerogative to assess the merits of these options as they are presented in this report and to act accordingly.

This study team report is being released with the others in the hope that it will give Canadians some insight into the complexity of the issues that are involved. There is no other source of information on programs and services for Indians and natives comparable to that assembled by the study team. The act of releasing this report is therefore a mark of the government's respect for the right of Canadians to know about federal programs that are designed to serve them. It also attests to the government's commitment to open public discussion with aboriginal people before policy decisions are made.

February 6, 1985

TERMS OF REFERENCE

BACKGROUND

Some 106 programs, estimated to cost in the order of $2.2 billion in 1984/85, listed in Annex A, are directed in whole or in part toward native peoples by the Government of Canada. These involve 7850 person-years in the direct employ of the federal government, largely in DIAND. In addition, substantial funds are identifiable in Secretary of State, HWC, CEIC, CMHC, DRIE, DFO, Transport Canada, Solicitor General, PSC and Justice for this client group.

The 1981 Census enumerated an aboriginal population of aproximately 552,000 persons, divided into four categories:

- Status Indians -- 350,000 (577 Bands);
- Inuit -- 27,000;
- Non-status Indians -- 75,000; and
- Metis -- 100,000.

This population is significantly different than the general Canadian population because of its age structure and socio-economic and cultural characteristics. Nationally, 52 per cent of aboriginals are under 20 years of age compared to 32 per cent for the rest of the population. While the growth rate has declined dramatically in the past 10 years it still remains twice the national average. This population has much lower than average educational attainment and subsequently high unemployment, with those employed tending to be concentrated in low-skill occupations. Only 22 per cent of the adult aboriginal population has training beyond high school compared to 40 per cent of the rest of the Canadian population. The age-structure, high growth-rates and low educational attainment all point to a significant and ongoing policy concern.

It is noted that many of the figures used are only "best estimates", simply because, with the exception of Registered Indians (which could change if some Non-Status Indians are reinstated), no one really knows the total population size (estimates for Metis range from 100,000 to over one million). As well, given the comprehensive nature of DIAND's mandate, there are likely duplications and gaps in programs and perhaps even double-counting of some expenditure estimates. Provincial expenditures, even where the federal government may have jurisdiction, may in fact be substantially higher than provincial governments may realize. Finally, one may ask whether some programs are in place for native people because they are native or because they are poor and disadvantaged.

TERMS OF REFERENCE

The study team will examine the appended list closely with a view to structuring its approach to include an assessment of the needs of the client group, categorizing programs by objectives (e.g. local government, education, housing, economic development, social assistance, core political funding, etc.) and by aboriginal status (i.e. Indian, Inuit and Metis) and will consult with those currently reviewing policies and programs in the relevant departments and central agencies -- more specifically in DIAND, SEC. STATE, DRIE, CEIC, FPRO, DFO, HWC, Transport and Justice.

Based on an appropriately modified list of programs, the study team will provide the Ministerial Task Force on Program Review advice and conclusions on a profile of government programs which is understandable and accessible to the clientele, and where decision-making is decentralized to those in direct contact with the clients. Included in this advice could be observations on, as appropriate:

- areas of duplication between federal and provincial governments (taking note of federal and provincial jurisdiction);
- areas of duplication and fragmentation between federal departments and agencies;
- programs that might be eliminated;
- programs that could be reduced in scope;
- programs whose basic objective is sound but whose form could be changed;
- alternative implementation mechanisms and program combinations for increased efficiency, combined with appropriate accountability provisions;
- a summary overview of the legislation that would be required to implement any of these program changes, including changes to the Indian Act to facilitate program implementation; and

- the resource implications of any recommended program changes, including increased costs or savings and the number and location of either increases or decreases in staff.

As background to its conclusions, the study team is asked to obtain answers to four sets of questions or concerns regarding beneficiaries, efficiency and overlap, gaps and omissions, and broad fiscal projections.

Beneficiaries

- the principal beneficiaries of the programs;
- the geographical distribution of expenditures in relation to demographic realities and need;
- the impact of the programs on needed structural change; and
- the appropriateness of the targeting (and allocation of program funds).

Efficiency and Overlap

- problem areas due to red tape, delays, etc.;
- the useful life of infrastructure and operational considerations;
- illustrations of overlap in terms of duplication versus complementarity of various programs including provincial programs;
- cases where private sector or third party program delivery could be a more efficient, and appropriate means for ensuring accountability;
- number and location of DIAND offices;
- approaches in other countries (U.S., New Zealand, Australia, Greenland); and
- provincial programming.

Gaps and Omissions

- other programs not presently in the inventory (Annex A) but which should be taken into account in this review.

Broad Fiscal Projections

- projections of prospective costs of major pending liabilities.

COMPOSITION OF THE STUDY TEAM

The study team will be led by a senior government official at the EX-5 level, who will be appointed in consultation with the department most affected by this program assessment (DIAND). The team director will report to both the Public Sector Advisor and the Private Sector Liaison Advisor serving the Chairman of the Task Force. The director will be supported by three seconded government officers and a matching number of private sector representatives nominated in consultation with the Private Sector Advisory Committee. The team, or its director, shall meet with the Public Sector and Private Sector Liaison Advisors at their request.

REPORTING SCHEDULE

The study team is requested to report April 26, 1985.

COMMUNICATIONS WITH DEPARTMENTS

Ministers of those departments directly affected by this review will be advised which programs under their jurisdiction will be included. These terms of reference have been developed in consultation with the Secretary of the Treasury Board and the Deputy Minister of Indian Affairs and Northern Development.

ANNEX A

NATIVE PROGRAMS - PROVISIONAL LIST

HOUSING

CMHC	8	RURAL AND NATIVE HOUSING
INAC	40	INDIAN AND INUIT ON AND OFF RESERVE HOUSING

INFRASTRUCTURE

INAC	227	NORTHERN ROADS AND INFRASTRUCTURE
INAC	318	INFRASTRUCTURE ASSETS AND FACILITIES (CAP AND O&M)
TC	98	COASTAL LABRADOR AIRSTRIP PROGRAM
TC	99	FINANCIAL ASSISTANCE TO CONSTRUCTION AND OPERATION - AIRPORTS
TC	100	CONSTRUCTION OF AIR TRANSPORTATION INFRASTRUCTURE - NORTHERN QUEBEC

ECONOMIC AND RESOURCE DEVELOPMENT

INAC	57	INDIANS - TECHNOLOGY TRANSFER
INAC	58	YUKON/NORTHWEST TERRITORIES LAND USE PLANNING
INAC	76	MAJOR NORTHERN RESOURCE BASED INDIGENOUS DEVELOPMENT PROJECTS
INAC	80	NORTHWEST TERRITORIES MINING
INAC	89	FOREST FIRE AGREEMENT
INAC	90	INDIAN/INUIT ECONOMIC DEVELOPMENT FUND
DRIE	106	NATIVE ECONOMIC DEVELOPMENT PROGRAM
INAC	91	NATURAL RESOURCES DEVELOPMENT AGREEMENT WITH ONTARIO
INAC	108	MACKENZIE RIVER BASIN STUDY
INAC	109	FLOOD DAMAGE REDUCTION AND FLOOD RISK PLANNING - NORTHWEST TERRITORIES
INAC	110	YUKON RIVER BASIN STUDY AGREEMENT
INAC	119	CANADA/MANITOBA/NORTHWEST TERRITORIES/SASKATCHEWAN CARIBOU AGREEMENT
INAC	120	CANADA/NORTHWEST TERRITORIES SUB-AGREEMENT ON NATURAL RESOURCES DEVELOPMENT
INAC	201	YUKON AND NORTHWEST TERRITORIES LAND, FOREST AND WATER RESOURCES MANAGEMENT
INAC	232	NORMAN WELLS PROJECT
INAC	300	BUSINESS ASSISTANCE AND ADVISORY SERVICES
INAC	301	EMPLOYMENT OPPORTUNITIES PROGRAM
INAC	303	RESOURCES DEVELOPMENT IMPACTS
INAC	305	COMMUNITY DEVELOPMENT SUPPORT

DRIE	52	SPECIAL ARDA
TC	40	ICEBREAKING
TC	41	SEALIFT
INAC	317	INDIAN AND INUIT MANAGEMENT DIVISION
INAC		ECONOMIC INSTITUTIONS
DFO		SALMONID ENHANCEMENT
DFO		FISHERY DEVELOPMENT
DFO		CO-MANAGEMENT
DFO		QUEBEC ECONOMIC DEVELOPMENT

COMPREHENSIVE AGREEMENTS AND PROGRAMS

INAC	81	CANADA/NORTHWEST TERRITORIES DEVELOPMENT AGREEMENT AND SUB-AGREEMENT
INAC	86	CANADA/NEWFOUNDLAND NATIVE PEOPLES AGREEMENT
INAC	88	NORTHERN QUEBEC TRANSFER AGREEMENT (INUIT)
INAC	105	FINANCIAL AGREEMENT WITH NORTHWEST TERRITORIES
INAC	106	FINANCIAL AGREEMENT WITH YUKON
DRIE		CANADA/MANITOBA NORTHERN DEVELOPMENT AGREEMENT
INAC		CANADA/MANITOBA NORTHERN FLOOD AGREEMENT
INAC		COPE
INAC		CREE/NASKAPI

TRAINING AND MOBILITY

*EIC	11	CANADA MANPOWER MOBILITY PROGRAM
*EIC	12	OUTBREAK PROGRAM
*EIC	18	YOUTH TRAINING OPTION
*EIC	23	NATIVE INTERNSHIP PROGRAM
*EIC	25	JOB CORPS
*EIC		INSTITUTIONAL TRAINING
*EIC		INDUSTRIAL TRAINING
*EIC		SKILLS GROWTH FUND
*EIC		CAREER ACCESS
*EIC		SUMMER CANADA
*EIC		OPTIONS NORTH
*EIC		GRANTS TO VOLUNTARY ORGANIZATION
*EIC	27	AFFIRMATIVE ACTION PROGRAM
*EIC	37	LOCAL EMPLOYMENT ASSISTANCE AND DEVELOPMENT (LEAD)
*EIC	38	CANADA WORKS
*EIC	100	FIRST CHANCE - A NATIONAL YOUTH TRAINING ALTERNATIVE

*The Study Team on Job Creation and Training will take the lead on these programs in consultation with the Native Program Study Team.

INAC	302	OCCUPATIONAL SKILLS TRAINING, TRAINING ON THE JOB
INAC		TRAINING AND EMPLOYMENT NORTHERN
*PSC	10	NORTHERN CAREERS PROGRAM
*PSC	101	NATIONAL INDIGENOUS DEVELOPMENT PROGRAM
JUSTICE	11	NATIVE LAW STUDENTS PROGRAM
JUSTICE	120	NATIVE COURTWORKS PROGRAM
DRIE		WINNIPEG CORE AGREEMENT

HEALTH

HWC	20	INDIAN HEALTH SERVICES
HWC		NORTHERN HEALTH SERVICES
HWC		NATIVE ALCOHOL AND DRUG ABUSE
INAC	231	CONTRIBUTION TO TERRITORIAL GOVERNMENT FOR HOSPITAL/MEDICAL CARE OF INDIANS, INUIT

WELFARE

INAC	36	SOCIAL ASSISTANCE (BASIC SPECIAL NEEDS AND SERVICE DELIVERY)
INAC	43	INDIAN AND INUIT ADULT CARE
INAC	44	INUIT FAMILY AND CHILDREN'S SERVICES CARE
INAC	96	1965 CANADA/ONTARIO WELFARE AGREEMENT
INAC	98	1964 CANADA/NOVA SCOTIA CHILD WELFARE AGREEMENT
INAC	99	CANADA/MANITOBA INDIAN CHILD WELFARE AGREEMENT
INAC	100	CANADA/MANITOBA NORTHERN INDIAN CHILD WELFARE AGREEMENT
INAC	101	CANADA/NEW BRUNSWICK INDIAN CHILD WELFARE AGREEMENT
INAC	102	CANADA/ALBERTA LESSER SLAVE LAKE INDIAN REG. COUNCIL CHILD WELFARE AGREEMENT
INAC	103	CANADA/YUKON CHILD WELFARE AGREEMENT
INAC	310	INDIVIDUAL AND FAMILY CARE WELFARE SERVICES
INAC	311	REHABILITATION - WELFARE SERVICES
INAC	312	COMMUNITY SOCIAL SERVICES

EDUCATION

INAC	314	INDIAN AND INUIT INSTRUCTIONAL SERVICES POST-SECONDARY EDUCATION

The Study Team on Job Creation and Training will take the lead on these programs in consultation with the Native Program Study Team.

INAC	315	INDIAN AND INUIT ELEMENTARY AND SECONDARY EDUCATION
INAC	319	EDUCATION ASSETS AND FACILITIES - CAPITAL FACILITIES AND COMMUNITY SERVICES

CULTURE AND COMMUNICATIONS

INAC	12	INDIAN AND INUIT CULTURAL CENTRES
INAC	77	NORTHERN PARTICIPATION IN PUBLIC REVIEWS
INAC	85	INUIT CULTURE LINGUISTICS
INAC	313	INDIAN AND INUIT CULTURAL DEVELOPMENT AND ART
INAC	320	INDIAN AND INUIT RECREATIONAL PROGRAMS
SS	30	NORTHERN BROADCAST ACCESS PROGRAM
SS		NATIVE FRIENDSHIP CENTRES
SS		SOCIAL AND CULTURAL PROGRAM
SS		NATIVE COMMUNICATIONS

BAND GOVERNMENT, TREATIES AND OTHER

INAC	20	CLAIMANT RESEARCH
INAC	26	INDIAN RESERVE/PLACING
INAC	37	INDIAN AND INUIT FUNDING FOR BAND GOVERNMENT (INCLUDING MANAGEMENT DEVELOPMENT)
INAC	92	INDIAN AND INUIT POLICING AGREEMENTS
INAC	306	LANDS, ESTATES AND MEMBERSHIP
INAC	307	INDIAN NATURAL RESOURCES AND TRUST FUNDS
INAC	308	INSTITUTIONS AND TREATY MANAGEMENT
INAC	400	CLAIMS NEGOTIATION (NON-STATUTORY)
INAC	401	CLAIMS SETTLEMENTS (STATUTORY) CORE FUNDING
SS		NATIVE WOMEN'S PROGRAM
SG		ABORIGINAL INITIATIVES
SG		CONSULTATION CENTRE
SG		NATIVE JUSTICE RESEARCH

ANNEX B

SOCIO-ECONOMIC CIRCUMSTANCES OF CANADA'S ABORIGINAL PEOPLES

INTRODUCTION

This annex presents some basic data on the demographics and socio-economic circumstances of Canada's aboriginal population. There are limitations inherent in any discussion of the characteristics of aboriginal peoples -- while there is little dispute about the numbers and circumstances of status Indians and Inuit, there is a lack of specific information on the Metis and non-status Indian (MNSI) population. This results partly from a question of ancestry and self-identification; there is no legal or broadly accepted definition of who constitutes this group and, therefore, the estimated population varies depending on the source.

INDIANS

A status Indian is a person registered or entitled to be registered as an Indian according to the Indian Act. In 1984 there are estimated to be 350,000 status Indians made up of 577 bands of varying sizes. Approximately 50 per cent of the status Indians in Canada are treaty Indians who belong to a body or band of Indians who were signatories to a treaty with the Crown.

Non-status Indians generally include Indian people or those descended from them who, for one reason or another, have lost their right to be registered as Indians as defined by the Indian Act. This group (about 75,000 self-identified for the 1981 Census) includes Indian women who have lost their status through marriage to non-Indian men.

INUIT

The Inuit (approximately 27,000 persons) are the aboriginal inhabitants of northern Canada, who generally reside in the Northwest Territories, although some live in northern Quebec (5,000) and Labrador (2,000). The federal government's power under section 91 (24) of the Constitution Act 1867, to make laws in respect to "Indians, and Lands reserved for the Indians" was interpreted to extend to Inuit by the Supreme Court of Canada in 1939. However, Inuit are not covered by the Indian Act.

METIS

There are two broad definitions of Metis. Some maintain that the term refers to those of mixed European and aboriginal ancestry who descended from the historic Metis community of western Canada. Others say the term refers to anyone of mixed European and aboriginal ancestry who identifies as Metis, as distinct from Indian or Inuit. The 1981 Census counted approximately 100,000 Metis, based on self-identification.

GENERAL

Much of the information which follows has been extracted from the 1981 Census of Canada. The population estimates for aboriginal peoples in the Census are based on a sample of the population using the principle of self-identification and consequently it is not possible to state definitely that the Census 'accurately' determined the number of aboriginal peoples or their circumstances. While there remains a significant debate on the numbers partly because of the definitional problems described above, there appears to be a consensus that the Census accurately portrays the socio-economic circumstances of all aboriginal groups.

GEOGRAPHIC DISTRIBUTION

1. Eighty per cent of the aboriginal population lives in provinces west of Quebec.

2. Eighty-four per cent of the Metis and non-status Indian population lives in the Prairie provinces.

3. Sixty per cent of status Indians lives on reserves and an additional 10 per cent on Crown land. These are generally stituated in either rural or remote locations. The majority of other status Indians live in the major metropolitan centres in western Canada. For example, 33 per cent of aboriginal peoples residing in Alberta live in Edmonton and Calgary.

4. MNSI tend to be more urban with 60-70 per cent living in urban areas.

5. The proportion of off-reserve Indians has been rising steadily in the past two decades from 15 per cent in 1966 to 30 per cent in 1983.

POPULATION

1. The aboriginal population is significatnly younger than the national population. Fifty-two per cent of aboriginals is under 20 years of age compared with 32 per cent for Canada. Only 3.5 per cent of this population is 65 and over compared with 10 per cent for the nation.

2. Age structure has important labour force implications. In the Prairies, for example, one in six children under the age of 15 years is of aboriginal ancestry. The working age aboriginal population is expected to grow at an annual rate of 2.9 per cent -- nearly three times the corresponding rate for the remainder of the population. It is estimated that by 1991, one in four people entering the labour force in western Canada will be of aboriginal ancestry and for Manitoba and Saskatchewan, the ratio is nearly one in two.

3. Fertility rates for status Indians have been falling in consort with national rates but still remain twice the Canada average.

EDUCATION

1. Seventy per cent of the aboriginal population has less than high school graduation compared to 45 per cent for the national average. Thirty-eight per cent has less than grade 8 compared to 20 per cent for the country as a whole.

2. Approximately 20 per cent of Indian students complete high school compared to a national rate of 75 per cent.

3. Participation rates for Indians 14 to 18 years in secondary schools are around 30 per cent.

4. Accessibility to secondary schools is constrained for much of the aboriginal population. Many children from remote or rural communities must leave home to attend high school.

LABOUR FORCE

1. The working age segment comprises 57 per cent of the total aboriginal population compared with 68 per cent for the nation.

2. Participation in the labour force differs dramatically between aboriginal peoples and the rest of the population.

Reported Labour Force Participation Rates
(Per Cent of Working Age Population)

	Male		Female	
	Native	Other	Native	Other
Man.	55.2	78.8	31.8	53.4
Sask.	56.3	79.2	31.5	49.3
Alta.	65.2	85.2	39.6	58.7
B.C.	66.9	78.6	43.2	53.0
Yukon	65.1	87.4	48.5	71.1
N.W.T.	54.7	91.7	39.7	72.9

Source: 1981 Census of Canada

3. Unemployment rates for aboriginal peoples are significantly higher than for the rest of the population. In western and northern Canda, the rates are at least twice as high, varying between 25 and 55 per cent.

4. Seasonal employment is common. Of those who were employed in 1980, just over half of the male aboriginal work force worked 40 to 52 weeks.

5. Aboriginal males are concentrated in construction-related occupations and are under-represented in managerial, technical and professional fields. Aboriginal women are more likely to work in service occupations and less likely to have clerical jobs than other women.

INCOME

1. Average individual aboriginal incomes were approximately two-thirds of the national average in 1980.

2. The proportion of aboriginal income in the form of government transfer payments is double that of other Canadians, constituting the second largest source of income for aboriginal peoples.

3. Aboriginal peoples in rural areas are twice as dependent on transfer payments as aboriginal peoples living in urban areas.

FAMILY STATUS

1. Aboriginal families and households are larger than those of other Canadians and are more apt to include extended family members.

2. Household income is lower than for other Canadians and does not necessarily rise as the number of family members increases, as it does for the rest of the population.

3. The rate of single-parent households is twice that of the general population.

4. The number of status Indian children in care (i.e. under the protection of a child welfare authority) is five times the national rate.

HOUSING

1. Nearly 50 per cent of Indian families live in crowded conditions.

2. Less than 50 per cent of Indian houses are fully serviced with sewer and water compared to a national rate of 90 per cent.

CRIME

1. In 1979, status Indians comprised 70 per cent of all admissions to federal penitentiaries in the Prairie provinces.

2. About 70 per cent of status Indians can expect to be incarcerated in a provincial correctional centre by age 25 compared to 8 per cent for other Canadians.

3. Most crimes committed by Indians involve drunken driving, theft and robbery.

4. The juvenile delinquency rates for Indians is three times the national rate.

HEALTH

1. Indians use hospitals two to two and a half times more than the national population but on average stay slightly less time.

2. Accidents, violence and poisonings account for over one-third of all Indian deaths, more than three times the national rate. Suicides are still very high, six times the national rate, and particularly in the 15-24 age group.

3. High infant mortality rates persist, approximately 60 per cent higher than the national rate, attributed to respiratory ailments and infectious and parasitic diseases reflecting poor housing, and lack of sewage disposal and potable water.

LIST OF TEAM MEMBERS

Team Leader

Jim Collinson
Assistant Secretary to the Cabinet
Aboriginal and Constitutional Affairs
Office of Federal/Provincial Relations
Ottawa, Ontario

Private Sector Members

Peter Baird
Conexus Research Group Inc.
Ottawa, Ontario

Mr. Patric Brascoupé
Vice-President
Apikan Ltd.
Maniwaki, Quebec

Glenn Sundstrom
Calgary, Alberta

Public Sector Members

Tom Clarke
Director
Financial Policy and Research
Department of Indian Affairs
and Northern Development
Ottawa, Ontario

Dr. E.R. Daniels
Director
Policy Coordination
Department of Indian Affairs
and Northern Development
Ottawa, Ontario

Glenn Fields
A/Director General
Northern and Special Programs
Regional Industrial Expansion
Saskatoon, Saskatchewan

Ms. Judith Moses
Machinery of Government
Privy Council Office
Ottawa, Ontario

Professional Support

Chantal Morin
Administrative Assistant
Program Branch
Treasury Board Secretariat
Ottawa, Ontario

OVERVIEW OF INDIAN AND NATIVE PROGRAMS

PURPOSE

To present the findings of the review by the study team on Indian and Native Programs.

BACKGROUND

Programs reviewed by the study team were designed for the benefit of the aboriginal people of Canada as defined below:

> Status Indians -- people who are registered or entitled to be registered as Indian under the Indian Act, approximately 350,000 in 579 bands (1984 figures).
>
> Non-status Indians -- generally includes Indian people or those descended from them who, for one reason or another, have lost their right to be registered as status Indians, about 25,000 self-identified for the 1981 census.
>
> The Inuit -- the original inhabitants of northern Canada who generally reside in the Northwest Territories, about 27,000 in the 1981 Census, including 5,000 in northern Quebec and 2,000 in Labrador.
>
> Metis -- the last Census counted approximately 100,000 individuals who identified themselves in this way (generally people of mixed aboriginal and European ancestry who distinguish themselves from Indians and Inuit).

PROGRAMS AND SERVICES FOR ABORIGINAL PEOPLES

Programs and services provided by the Government of Canada to aboriginal people vary by group and location. Through treaties and the Indian Act, the federal government has exercised a special responsibility for status Indians, especially those who live on reserves. Services for non-status Indians and Metis are generally provided by provincial governments.

Services to Inuit in the Northwest Territories are provided by the territorial government, with funding from Ottawa. The Inuit of Quebec receive services from the province through the James Bay and Northern Quebec Agreement and the Inuit of Labrador receive services under federal/provincial agreement and joint funding.

SERVICES FOR STATUS INDIANS

Federal programs for status Indians living on reserves include direct services in the fields of education, health, social assistance, justice, housing and community infrastructure, as well as funding for cultural programs, band government and economic development. More than half the dollar value of these programs is administered by the bands themselves.

Status Indians living off reserves face a complicated pattern of eligibility for government services. The federal government has taken the view that status Indians living off reserves should receive basic provincial services like other citizens. Most provinces, however, have traditionally considered status Indians to be a federal responsibility, whether living on or off reserves.

Although, in practice the provinces normally provide needed services, in some cases services such as welfare and child care are only available to Indians after 12 months continuous residence off the reserve. Migration on and off reserves for short periods makes it difficult for some Indians to gain access to needed services from federal or provincial agencies. The federal government does provide some services directly to off-reserve status Indians, such as economic development funding and non-insured health benefits.

Some of the programs listed below under the heading "Services for Non-Status Indians and for the Metis are also open to status Indians.

SERVICES FOR NON-STATUS INDIANS AND FOR THE METIS

Non-status Indians as well as the Metis generally receive those federal and provincial services universally available to all citizens. In addition, during the past two decades, a number of federal programs have been developed to address the special needs of aboriginal peoples, including both non-status Indians and Metis.

SERVICES FOR INUIT

Most services for northern Inuit are delivered by the Government of the Northwest Territories, which receives more than 80 per cent of its revenues in transfers from the federal government. It should be noted that this review did not examine many federal programs offered in the Yukon and the Northwest Territories; only those that were felt to be native-specific were reviewed, considering that the study team on Regulatory Programs is expected to focus more closely on some of the other activities North of 60 by the Department of Indian Affairs and Northern Development (DIAND). Notwithstanding these studies, there would appear to be merit in an overall review of all northern programs, particularly those in DIAND.

Services similar to those in the Northwest Territories are provided to the Inuit of northern Quebec by the government of Quebec and by the elected local government bodies established as a result of the James Bay and Northern Quebec Agreement of 1975. The federal government contributes a share of the funding for these services. In Labrador, the Newfoundland government exercises primary responsibility for administering services to Inuit under a cost-sharing agreement with the federal government.

Some of the programs listed above under the heading "Services for Non-Status Indians and for the Metis" are also open to Inuit.

EXPENDITURE OVERVIEW

As citizens, aboriginal peoples benefit from all federal programs, including such universally available programs as Family Allowances, Old Age Security and Unemployment Insurance. Benefits received by aboriginal people from these programs are not included in the figures below.

Federal expenditures on programs directed specifically or largely to Canada's aboriginal peoples amount to an estimated $2.772 billion in 1984/1985. The Department of Indian Affairs and Northern Development accounts for almost three-quarters of the total.

It is projected that all federal expenditures by 11 departments under the 15 program categories described in this report will amount to a little more than three billion dollars in 1985/86 (See Additional Financial Tables).

The following table shows the regional distribution of on-reserve expenditures by the Indian Affairs Program of DIAND in 1984/85. The per capita expenditures for Ontario and Alberta are substantially lower due to employment success rates for Indian people in those provinces. In addition, the figures reflect the concentration of resource-rich bands in Alberta. It should be noted that the figures represent status Indians. Definitive figures for other native groups were not available.

	$M	**%**	**On-Reserve Population**	**%**	**Per Capita**
Atlantic	69.0	5.1	9,306	4.1	7,414
Quebec	180.6	13.2	28,263	12.5	6,390
Ontario	242.3	17.8	49,487	22.0	4,896
Manitoba	243.3	17.8	36,335	16.1	6,696
Saskatchewan	221.5	16.2	33,294	14.8	6,652
Alberta	170.8	12.5	30,895	13.7	5,528
British Columbia	237.2	17.4	37,807	16.8	6,274
TOTAL	1364.7		225,387		

The motivation behind the major alternatives of the report is to create an environment in which native people can help themselves through their own individual and collective actions. In so doing, the study team has sought alternatives which should also head off the predictable cost escalations that would otherwise occur as a result of demographic factors alone.

The proposals for change embodied in the report outline "savings" of approximately $169 million if all major alternatives are acted upon. In addition, there may be potential management reductions to be realized in the order of up to 3,500 person-years over time. A fully-implemented policy of Indian local government could result in a shift of employment status for about 1,700 teachers and school maintenance staff and another 300 social assistance administrators. Some of these people would likely be required to help deliver the services of local Indian governments. In any case, the maximum number of job changes would only occur over a number of years if all major alternatives were acted upon.

SOME KEY RESULTS

One hundred years ago, on April 15, 1885, M.C. Cameron, M.P. (West Huron) attacked the Administration of Indian Affairs in the Northwest Territories, claiming that policies of the day led only to the Indians of the area being "miserably poor". In a pamphlet prepared in reply to Mr. Cameron's criticisms, it was maintained:

> "Well, most of the Indians are miserably poor; if they were not, they would not need Governmental assistance. All the Government can do is to keep them from actual suffering... The Government must bring pressure to bear upon the Indians to induce them to help themselves..."

Despite the best efforts of governments, the relative deprivation of most native communities continues to be a persistent feature of Canadian life. The net impact of government stewardship over the social and economic development of native people has been frustratingly marginal. In the face of negative social and economic indicators that seem set in concrete, federal intervenors have evidently left few ideas untried. Services have been provided far beyond the federal government's constitutional and legislative responsibility for Indians and Inuit. A broad spectrum of program solutions has been attempted in an effort to alter the relentless patterns of poverty and distress. The only statutory authority for about 80 per cent of federal expenditures on Indians and Inuit is derived from various Appropriation Acts. To the extent that the Indian Act is the legislative basis for action, the last major updating of that act occurred some 34 years ago. Program innovations have produced isolated improvements, but the overall picture remains bleak.

The continuing dilemma of high government expenditures and socio-economic inertia demands significant adjustments to government policy. In the meantime, the situation also presents a compelling case for a review of existing programs and services. This report documents the results of such a review, which began in January 1985, to examine a list of 106 programs for native people delivered by 11 federal departments, with current-year expenditures then estimated to total some $2.2 billion.

REVIEW HIGHLIGHTS

Against this background, the review produced a number of results, some of which are highlighted in the following section. A more complete description of the alternatives is contained under conclusions.

The federal government will spend upwards of $15 billion dollars in the next five years on aboriginal programming. Approximately 85 per cent of this can be attributed to status Indians and Inuit mainly on reserves and in remote northern settlements. The large proportion devoted to status Indians and Inuit is commonly attributed to federal obligations under the treaties or the Indian Act. In fact, only about 25 per cent of these expenditures can be directly attributed to these obligations. The remainder go largely to services of a provincial and municipal nature and stem from decades of policy decisions designed to fill this void which have, by convention, come to be considered as though they were rights. In this context, of the 75 per cent of present expenditures not considered to be a federal legal obligation, 38 per cent under normal circumstances would be a statutory, provincial responsibility for infrastructure and health and welfare. In other words, federal discretionary spending is only 37 per cent of the total.

The belief is widely held by both the status Indians and the general population that if something is a status Indian problem, it's the federal government's problem. The second step in this logic rests with the federal government, wherein -- if it's an Indian problem it's considered to be DIAND's problem.

The effect of this mentality has been the creation of a department of the federal government which has attempted to provide a full array of federal, provincial and municipal services to status Indians.

Operating without the "specialist" expertise of other departments or levels of government, under unclear and outdated treaties and legislation, and being subject to one of the most effective political lobbies in the country, DIAND has created an artificial world on Indian reserves where reliance on government is almost total.

Three elements are particularly apparent in the DIAND approach:

1. Universality -- a complete array of services is provided to all reserves as if they were a "right", irrespective of need.

2. Standards -- the level to which these services are provided has the effect of recreating modern suburbs in the northern bush with no consideration of the communities' long-term economic capacity to pay for the maintenance and replacement of this level of services.

3. The development of a system of local government which has used, as its model, the federal department itself instead of more appropriate rural government units upon which to base its roles and functions.

In effect, the government has created communities in which housing and other services are often far better than those in surrounding communities (often Metis). In so doing it has also unwittingly created a disincentive to move to areas of economic opportunity.

This has only been accomplished at great cost to the federal government. As notable, however, is the incalculable human cost in lost pride, purpose, independence and self-motivation.

It is with this context in mind that the results of this study have emerged, some of which are highlighted here. The rest are summarized among the "themes" and the "conclusions" in later sections of this overview:

a. creation of a national Indian heritage trust company to manage Indian assets;

b. concentration of economic development programs where the expertise exists, in the Department of Regional Industrial Expansion (DRIE);

c. acceleration of settlement of specific claims while deferring the negotiation of comprehensive claims until aboriginal self-government is well in place; and

d. introduction of a user-pay principle to partially fund any community infrastructure built above minimal standards in economically-stagnant communities, along with associated operation and maintenance costs.

Examination of the complex and intricate matrix of government programs for native people confirms once again what has become an axiom of native affairs in Canada. The problems cannot be solved by the application of money alone. The federal dollars allocated to maintain or improve native peoples' circumstances are substantially greater than the amount of the federal budget devoted to the Department of External Affairs and all forms of foreign aid ($2.2 billion, 1984/85 estimates). Yet the total number of potential beneficiaries amounted to only 377,000 people in 1981 (not including Metis and non-status Indians), enough to populate Victoria, B.C. and Sudbury, Ontario. There is nothing in Canada to compare, in terms of serviceability, with the challenge of getting health care, housing, sewers or even clean drinking water to the settlements where native people live. The 10,021 square miles of reserve land held by the Minister of Indian Affairs is one of the largest land holdings in the free world.

For many who cling to tradition in isolated communities, this is a self-imposed sentence to continuing poverty and despair. Statistics can scarcely convey the human story of life in this archipelago comprised of tiny settlements randomly scattered across the landscape of Canada. There are 579 bands with more than 2,200 parcels of Indian reserve land alone. Band size ranges from two people to the country's largest with more than 12,000 inhabitants. About 375 reserves have a population of less than 500 souls.

The people who inhabit native settlements suffer from social and economic quarantine. About 70 per cent of adult aboriginal people has less than high school graduation, whereas the national average is 45 per cent; unemployment among aboriginal people in western and northern Canada runs between 25 and 55 per cent (up to 90 per cent in some isolated communities). Incomes were about two-thirds of the national average in 1980.

While great hope has been voiced for a native economic renaissance, the "found" natural resource base for any such renewal is strikingly inadequate on most reserves. For example, the per-capita land base for Indians on reserve in Saskatchewan is about 50 acres. A viable prairie farm can require 1,000 acres.

THE POLICY CONTEXT

The study team acknowledges that its review has not occurred in a vacuum. Native claims continue to be negotiated. Self-government concepts stimulate debate in both constitutional and regional forums and innovations such as block funding for Indian bands are being advanced. The study team has taken these other processes into account and has done its best through discussions with others in the federal and provincial governments to reflect current thinking on these fronts. However, when it came to a choice between uncertainty over policy issues and completion of its report, the group simply got on with the job.

The existing framework of federal policy in native affairs is inconsistent, uncoordinated and, in too many cases, rooted in the anachronisms of the Indian Act. Some of the remedies outlined in later sections of this review would require amendments to the act. It should be borne in mind, however this is done, that a large number of revisions are required and that a piecemeal approach will likely condemn Indian people to further decades of social and economic inertia.

At the time the work plan was approved, the Task Force agreed to eight assumptions to guide the study team in their work. These are reproduced as Annex IV of this overview.

The review has been done with terms of reference that placed a priority on identifying gaps, overlaps and duplication of services. But the real overlaps are not between individual, vertical programs; they are at the horizontal level of overall policy. The study team has concluded that substantive change requires structural change, which is the thrust of many of the more detailed findings and alternatives identified in the body of the report.

STATUS OF THE REVIEW

In addition to gaps and overlaps, the terms of reference sought to describe a set of programs that are simpler, more understandable and more accessible to their intended beneficiaries. Research and analysis of the original 106 programs identified as a starting point for the study have resulted in a total of 113 listings, including activities covered under 30 federal/provincial agreements and long-term projects, as well as programs.

Decisions to identify some activities at the proper level have been somewhat arbitrary due to the absence of a common definition of a "program" that can be applied uniformly across several departments. However, interviews with program managers have helped to ensure that listings reflect realistically what administrative arrangements or legislative instruments are used to channel tax dollars to the agreed beneficiaries. Program managers have been forthcoming and cooperative with rare exception. Several have expressed their desire to contribute to a reexamination of the basic assumptions that have shaped policy and their resulting decisions in recent years.

Care has been taken to group these 113 program-listings into categories for future action. The elements of each category have been arranged according to a number of criteria, including shared or similar objectives, and the grouping of beneficiaries.

These categories are considered essential to the objective of devising a list that is understandable and accessible to the clientele. They also begin to suggest arrangements for the future that could more effectively streamline or target spending.

In addition, 12 program assessments prepared by the Job Creation and Training study team were utilized in the category review on native Training and Job Creation. These reviews are included in this report and comments from a native perspective have been added. There are no significant inconsistencies or conflicts between the conclusions of the two study teams.

The Chairman of the Task Force wrote to the heads of seven national native organizations, inviting their comment on the programs being reviewed. To date three have responded, but others were heavily tied up with constitutional matters in advance of the First Ministers' Conference April 2 and 3, 1985, as well as with reviewing the implications of proposed amendments to the Indian Act to eliminate sexual discrimination. In addition, the leader of the study team met with senior deputies in Alberta, Ontario and Quebec to seek their input to the review of the programs under study.

The study team quickly reviewed approaches taken by other countries and found little of help. In the Scandinavian countries, the Sami represent a very small proportion of the total population (substantially less than 1 per cent) and there are no programs of particular relevance to Canada. In Finland, there is a "Lappish Parliament" but it functions simply as an advisory body. Under the Home Rule Act, Greenland, with aboriginals comprising about 80 per cent of the population, has a form of public government for domestic matters which could warrant further review. Australia appears to have tried to deal with the claims of aborigines through land grants and has experienced major difficulties. New Zealand, with 10 per cent of the population who are Maori, is perhaps the closest comparison but their history of development is so different (e.g. no reserves, virtually all land is in fee simple ownership) that comparisons are difficult to make. The Maori Trusts have had rather impressive results over a long period of time and have served to promote an entrepreneurial capacity, but problems of urban Maori differ only in degree from urban native problems in western Canada.

In the United States, some 750,000 Indians belong to "recognized tribes" and despite a 1938 ruling by Judge Marshall that these tribes are "domestic dependent sovereign nations", they are not substantially different than Canadian Indians. Although the Navaho Tribe is rather sophisticated, they have a population of more than 100,000 with a huge land holding, and so are not comparable to anything in Canada. In 1983/84, the U.S. government, through the Bureau of Indian Affairs, allocated some $300 million to tribes to manage (total budget of $841.5 million) on behalf of the 750,000 Indians, whereas in Canada in 1984/85, about $800 million of the Indian Affairs program budget of $1.4 billion is managed by bands whose population is 350,000. The only conclusion that can be reached is, that in terms of financial effort, Canada leads all other countries in attempting to meet the needs of native people.

It is remarkable that "new" strategies can still be said to exist at this evolutionary stage in the complex inter-dependency of native people and other Canadians. Yet these strategies have existed in limbo because few people in authority were looking where they converged.

For most of this century, it has been flatly assumed there was no particular purpose in federal and provincial politicians meeting to discuss the circumstances of native people. When a federal/provincial conference met in Fredericton, N.B. in May 1982, it was the first time ministers had met in 18 years to deal solely with Indian affairs. More recently, it has been held in some quarters that provincial governments were intransigent when it came to discussing responsibility for service to native people. To be sure, there was little incentive for provinces to question the extent of federal responsibility for Indians under section 91(24) of the British North America Act until fairly recently. Similarly, Indian people recoiled at the suggestion that any good might come of an exchange of views among the partners in confederation. This partitioned approach has not only been a sustained feature of federal/ provincial/native relations; it has been a consistent characteristic of the programming efforts which have been made by various federal departments.

Yet much has happened since the assumptions were set for what today is a pattern of programs that defies comprehension. Although Indian leaders protested the 1982 conference, this review found 634 various agreements or long-term projects which involve some level of federal/ provincial accord to deal with matters ranging from Indian child welfare to airstrips in Northern Quebec. In addition, the existence of a forum and process for discussing constitutional items among First Ministers and aboriginal leaders can hardly be said to have diminished the rights of native people since it was launched in 1983.

The incentive to strike agreements emerges from the communities themselves. It does not originate in formal agendas nor in timetables for more talk. The proportion of off-reserve Indians has been rising steadily in the past two decades, from 15 per cent in 1966 to 30 per cent in 1983. Between 60 and 70 per cent of Metis and non-status Indians now live in urban settings. Meanwhile, the working-age aboriginal population is expected to grow at an annual rate of 2.9 per cent, nearly three times the corresponding rate for the rest of the population. It is estimated that by 1991, one in four people entering the labour force in western Canada will be of aboriginal ancestry; in Manitoba and Saskatchewan, the ratio is nearly one in two.

The assumptions of a decade or two ago are therefore subject to challenge and the message is quite clear. Native and non-native Canadians are having more to do with each other than ever before, and they are coming into contact in places and by means that their fathers couldn't have imagined. They are crossing social lines and geographic boundaries with a frequency that belies the axioms of an earlier era -- and the consequences of inertia can only be imagined at this time.

There have emerged from the review a number of "themes" at the level of overall government policy toward native people; these themes arose frequently and pointedly from the analysis. In the face of the persistence of conditions in Indian communities, it is the view of the study team that they should form the basis for its own conclusions and for subsequent action.

These themes are as follows:

a. targeting expenditures toward those who would benefit most (e.g. education and youth) and those who have the greatest need; establishing exit-strategies for some programs;

b. encouraging entrepreneurial expertise:

    - by focusing on private sector activities,
    - by restructuring to streamline overlaps in economic development;
    - by fostering self-reliance, enhanced pride and purpose;

c. enhancing federal/provincial arrangements to integrate certain services and develop longer term joint action plans; requires a national commitment to joint solutions and a horizontal approach to the issues;

d. exploring opportunities for private sector involvement (e.g. housing construction);

e. ensuring long-term social payoffs from short-term acceleration of programs (e.g. specific claims);

f. capping expenditures and turning the responsibility back on native communities to resolve their problems for themselves;

g. introducing the concept and practice of "user-pay", of having communities make a contribution to their own capital and operating costs for services as a way to begin to deal with attitudes (e.g. infrastructure);

h. clarifying who are the clients of discretionary expenditures (on the basis of relative disadvantage or aboriginal descent?); and

i. decentralizing support to be suitably practical, responsive to the local situation, sensitive to grass-roots initiatives and capacities.

A NEW APPROACH

To date the review has brought to light a number of undesirable features of existing programs for native people. The study team's view is that short-term adjustments to existing programs and structures promise only marginal long-term results unless they are dealt with in a larger context.

What, then, is the direction for the rest of this century? While the complete answer is beyond the scope of this review, the work of the group is bringing into stark relief the outlines of a new approach. Its essence lies in the desire of government to move decision-making closer to the real needs, as experienced and described by the native people who live with those realities.

The first part of this report deals with A Management Approach to Native Program Reform. This approach recognizes that the legal responsibility for native Canadians involves two levels of government in addition to the responsibility of aboriginal people to govern themselves. It also recognizes the practical responsibility of both federal and provincial governments, which exists because native Canadians are either Indian, disadvantaged or ordinary citizens of its provinces or territories. The approach acknowledges that federal and provincial programs are poorly coordinated and are marked by overlap and duplication. In addition, it observes that universal programs do not efficiently address the diverse and localized needs of the aboriginal population. This new strategy rests on the assumption of closer federal/provincial cooperation. Coupled with a more decentralized federal approach, it promises to produce a more coordinated focus on native program delivery than the sharply vertical and partitioned division of responsibility which emerges from the study team's review.

The preferred instrument to implement this new approach would be a Memorandum of Understanding defining a comprehensive agreement between Canada and each of its provinces and territories. As it is described in Annex I, the overall concept reflects two of the principal themes of this review. Enhanced federal/provincial arrangements that would focus on the greatest needs of native people could be the basis for a new national commitment. The other themes could be embodied in each Memorandum of Understanding, as appropriate to regional circumstances.

On another front related to the future relationship between native people and senior levels of government is the question of the representivity of their existing political organizatons. Fifty-seven such organizations receive core funding support from the Secretary of State. Of these, four are national in scope. Total federal funding to these 57 groups is estimated to exceed $100 million. Probably less than 10 per cent of the money goes to Metis and non-status organizations.

Federal funds contribute to the general revenues and consequently to the overall vitality of these organizations. It is difficult to assess the results of this funding other than to say that the number of these organizations has grown from 24 in 1971 to the current level. Funds have increased from approximately $6 million in 1971 to the current $100 million. Consistent with the move to decentralize decision-making, the study team's view is that the funding of political organizations be reformed according to two principles -- accountability of representative organizations to their actual membership and a requirement to demonstrate membership support through some self-financing. More detailed proposals are contained in the category review on Culture and Communications and in the analysis of the Native Representative Organizations Program.

Finally, a new approach based on targeting expenditures implies a readiness to bring some communities up to a minimal level of service consistent with standards of health and safety, while providing incentive for people to go to better-equipped native communities where economic opportunity exists. Giving young people realistic alternatives to the self-imposed quarantine in economically stagnant communities can be accomplished without requiring people to be uprooted or assimilated in alien non-native urban settings.

MACHINERY OF GOVERNMENT IMPLICATIONS

A general finding of the study team is that the effectiveness and efficiency of federal programs would be improved overall if bands were given more responsibility for managing their own programs and resources in response to community-level needs and priorities. This is consistent with the current thrust of the Department of Indian Affairs to devolve responsibilities to bands. A senior federal review committee under a new ad hoc committee of ministers should be charged to oversee the development of an action plan for redefining the relationship between the federal government and bands and to redefine DIAND's role in the federal system accordingly.

In addition, there are a number of other machinery recommendations which relate to improvements in the interim for federal support activities for natives. The senior federal review team could also oversee their implementation:

- transfer of DIAND's business support activities to DRIE and its business loans responsibilities to The Federal Business Development Bank (FBDB); provide policy direction to FBDB for servicing of native enterprises;
- transfer of public service training aspects of DIAND's on-the-job training programs to the Public Service Commission;
- constitute a non-governmental national Indian heritage trust company to manage Indian trust monies;
- transfer of DIAND's policing programs to the Solicitor General of Canada and charge the Solicitor General with the responsibility for coordinating federal policy and programs for Indian policing and other native administration of justice issues to achieve greater effectiveness;
- reassign certain of DIAND's culture and communications programs to either the Secretary of State, Canada Council or National Gallery of Canada (see Culture and Communications);
- review duplicative aspects of DIAND's Northern Program activities to eliminate overlaps and modify its role accordingly;
- assign a new mandate to the Minister of Fitness and Amateur Sport to oversee the development of new amateur sport organizations for native people.

These changes are consistent with the view of the study team that specialist services to natives should be provided by specialist departments. While this may not require changes to existing departmental structures to create native-specific units, it does require a capacity for departments to report periodically on the sensitivity and effectiveness of their programs and services responding to native clients.

Given the need to better coordinate federal inter-envelope issues to achieve maximum benefits for native people and to manage the proposed new approach to federal/provincial relations, it is proposed that an ad hoc coordinating committee of social, economic and regional development ministers, assisted by the senior federal review committee of officials, be established to oversee progress in these areas. Further, it is proposed that the FEDCs be charged with the responsibility for regional-level and federal/provincial coordination on behalf of the ad hoc committee of ministers.

Arrayed alongside the list of programs and services that have evolved over many decades, the lesson of persistently negative socio-economic indicators is stark; the status quo is simply out of the question. Something must be done to upset the trend of recent decades, otherwise, the current costs, both human and purely financial ($2.8 billion in 1984/85), will soon spiral out of sight, with only marginal additional results.

In the decade ending with 1983/84, DIAND budgets on the big ticket items of housing, infrastructure, welfare and band management went from about $141 million to $733 million. Health care expenditures by Health and Welfare went from about $60 million to $273 million (see Annex III). By comparison, the status Indian population 1971 and 1981 went from approximately 260,000 to about 320,000.

For these reasons and in the context of the foregoing themes, the study team has reached the following conclusions:

PROGRAM REVIEW CONCLUSIONS

Reserves and Trusts

An independent national Indian heritage trust company should be created to administer Indian assets now held by the Crown. Additional resources should be applied to the negotiation of natural resource agreements on Indian lands and to the legislative support function within DIAND.

Economic Development

All economic development programs should be transferred to DRIE and administered through federal/provincial agreements. DIAND should continue to administer community development programs until they can be absorbed within federal/provincial regional development agreements.

In addition:

- the federal Business Development Bank should administer loans programs; and
- the Native Economic Development Program should be substantially amended and become part of DRIE.

Training and Job Creation

To improve the effectiveness of training programs for native people, a portion of the funding currently allotted to national programs should be set aside for programs which can be tailored to native needs on a regional basis. To achieve this end, CEIC's capacity for design and implementation of programs on a regional basis must be enhanced. DIAND training efforts should be consolidated over the medium-term with Canada Employment and Immigration Commission (CEIC) to take advantage of CEIC labour market capacities and to avoid different programs for status Indians on one hand and Metis on the other. Employment programs should be reoriented away from short-term job creation to long-term employment development through federal/provincial mechanisms.

Regional Development Agreements

Existing federal/provincial and federal/territorial regional development agreements minimize duplication and overlap and allow the two levels of government to collaborate. With simplification and streamlining of management arrangements, this approach can be used more broadly to improve both the efficiency and effectiveness of long-term development programs aimed at native people.

Major Resource Developments

The Indian Affairs and Northern Development impact programs should be combined. Federal obligations to the five Manitoba bands under the seven-year-old Northern Flood Agreement should be discharged forthwith in cash and accelerated land transfers should be negotiated with Manitoba. In the future, ministers and senior officials need to take an active role with the provinces and resource developers to ensure opportunities for natives in resource development.

Natural Resource Agreements

Federal/Provincial agreements can ensure that provincial resource management expertise is applied to federal lands and to the benefit of native people, rather than proceeding throught federal duplication or inadequate management. Greater attention is required to ensure that native issues are considered in the design of these agreements.

Native Claims

The settlement of specific claims should be accelerated, and negotiation of comprehensive claims deferred until the government's position on native self-government is determined and implementation is well under way.

Local Government Support

DIAND funding of consultation and policy development activities should be directly to Indian bands rather than Indian associations; DIAND operational planning should be done on the basis of multi-year comprehensive community resourcing agreements negotiated with bands.

Infrastructure

Infrastructure programs should feature minimal standards, rather than present national standards. Some "user-pay" provisions should be used to turn a portion of the burden of higher standards, including associated operating and maintenance costs, back to the communities.

Closer cooperation with the provinces is necessary to make the infrastructure programs compatible with adjacent Metis communities.

Housing

Change to identical social housing assistance on and off reserves should be phased-in. Initially, the existing targets for on-reserve housing should be held constant and a fundamental review drawing on outside expertise should be undertaken to develop a new program that eliminates overlaps and inconsistencies.

Health

Immediate action should be considered to:

- seek agreement with the Canadian Medical Association for support of midwives and other para-professionals in isolated areas;
- seek agreement with provinces for operating health care programs and facilities on reserves and recognizing paramedical services;
- eliminate health consultation funding to Indian and Inuit associations;
- close Indian hospital facilities which duplicate provincial or municipal facilities;
- review system for payment for health care services in Yukon and Northwest Territories;
- reduce cost of non-insured services through appropriate "needs-test" type of procedures, or other measures to discipline the incidence of use; and
- more closely integrate the development of policies on Indian local control between Health and Welfare and DIAND.

Education

Immediate action could be considered to:

- reduce "double-funding" of post-secondary institutions;
- expand provincially-accredited Indian-controlled post-secondary institutions; and
- change federal policy in school capital financing and insuring school buildings.

Phased initiatives are required to:

- reduce federal delivery of service;
- use community learning centres and mobile laboratories to improve remote delivery; and
- introduce new modes of instruction such as two-way satellite technologies;

Welfare

Phased action be taken to:

- agree with provinces to deliver social assistance, adult care and child welfare programs under CAP, recognizing the ability of local natives to administer and deliver the services. This would permit eventual elimination of the social development component of DIAND;
- encourage Native Children's Aid Societies;
- encourage native financing of adult care facilities;
- authorize "workfare" programs on reserves; and
- integrate Child Out of Parental Home, Individual and Family Care, Rehabilitation Services and Community Social Services programs with major existing programs to eliminate service and funding overlaps.

Culture and Communications

Action should be taken to integrate certain Inuit and Indian programs within DIAND and to transfer some programs or responsibilities to either Secretary of State, Canada Council or National Gallery consistent with their existing mandates.

Justice

Transfer responsibility for DIAND policing program to the Department of the Solicitor General and establish an interdepartmental coordinating mechanism for federal policy and program development in the administration of justice. Undertake a series of joint federal/provincial discussions to ensure better coordination of effort and maximum benefits from expenditures by both levels of government.

The growth pattern of programs and federal expenditures for native people has created a massive administrative superstructure. In Indian communities it has also nurtured an entire sub-economy as well as a generation whose avocation is to exploit these programs. Instant elimination of this artificial economy would be like the post-war phenomenon of economic readjustment. People accustomed to dealing with the "wartime" economy become frustrated by the change. Over several years, however, the native world would right itself again with a new structure (e.g. self-government) with much clearer lines of accountability between the self-governing bodies and their constituents.

Taken together the conclusions of this review represent a major and substantial shift. Indian people can be expected to resist change on any such scale. It will be for the government to judge the extent to which it is prepared to withstand this criticism. However major changes timed to follow announcements in other sectors could help persuade native people that they are not being singled-out or expected to bear the consequences of readjustment alone.

In addition to the specific conclusions listed earlier in this section, it has come to the attention of the study team that $100 million has been earmarked for native job creation in 1985/86. The preceding themes suggest that this money might better be targeted for school construction and community recreation for youth, with whatever employment that generates, than to encourage other artificial economic activity on reserves with no long-run economic potential. Greater involvement by the private sector in urban centres should be encouraged as an alternative to training for training's sake.

Also consistent with the theme of ensuring long-term payoffs from short-term program acceleration is the notion that funds could be reallocated to settle specific claims wherever it is possible to reach a negotiated agreement.

ANNEX I

A MANAGEMENT APPROACH TO NATIVE PROGRAM REFORM

LEGAL RESPONSIBILITY FOR NATIVE CANADIANS INVOLVES TWO LEVELS OF GOVERNMENT

While the federal government has certain legal and trust responsibilities for status Indians under the Indian Act and the treaties and land claims settlements, the degree of federal responsibility under section 91 (24) of the Constitution Act of 1867 is controversial. Some provinces and the aboriginal peoples argue that Canada has complete political, financial and legislative responsibility for all aboriginal peoples. The federal position is that the section is permissive, and in any case does not cover Metis.

In practical terms, both levels of government do have responsibility because the people in question are either Indian, disadvantaged or ordinary citizens of Canada in its provinces or territories.

PROGRAMS OF FEDERAL AND PROVINCIAL GOVERNMENTS ARE POORLY COORDINATED AND HAVE OVERLAP AND DUPLICATION

Despite continuing discussion surrounding federal/provincial responsibilities for native peoples (status Indian, non-status, Metis and Inuit), in practical terms, both levels of government have responsibilities because the people in question are either Indian, disadvantaged or ordinary citizens of Canada and its provinces or territories.

The sharp distinctions by "status" are deceptive. There is, for example, substantial movement between rural and remote native communities, including reserves, and the growing urban native communities. This movement is not a simple, one-way street. People move back and forth between their home communities and urban centres on a frequent, if irregular, basis. Programs for status Indians which focus on reserves do not address the complete status population, or fully consider its needs. In addition, it is not unusual for Metis communities to co-exist side-by-side with Indian reserves. Federal programs, such as sewer and water construction, for example, being put in place for a reserve may create disparity with adjoining Metis communities, or force the provincial government into a costly crash program to avoid such disparity.

Programming for Canada's aboriginal peoples tends to be disjointed and often inequitable. Segregated administrative structures are poorly coordinated, often overlap and entail unnecessary duplication.

UNIVERSAL PROGRAMS DO NOT EFFICIENTLY ADDRESS THE NEED

There is a tremendous range of need and circumstance among Canada's aboriginal peoples. Some native communities, for example, are in remote areas, others in rural settings and there are large and growing native communities in many Canadian urban centres. Some native bands are wealthy from resource income, while others are impoverished through diminished local resources and rapid population growth. Economic development proceeds in stages, each requiring different support. For some communities, key development requirements lie in local infrastructure, housing and education. For others, the development requirement is for skills training, risk capital and entrepreneurial assistance. Any way you look at government programming for native Canadians, the need to be selective, to target resources on specific opportunities, and to focus rather than dissipate energies is clear. Universal, across-the-board programming will not be an effective use of available resources.

THE CASE FOR CLOSE FEDERAL/PROVINCIAL COORDINATION ON A DECENTRALIZED BASIS

For all of the reasons outlined above, there is a clear requirement for a new approach to coordinate the efforts of both levels of government and focus them in a selective way on the particular challenges facing aboriginal peoples in any given geographic area. Currently, programs are housed in many departments, each with its own decision-making mechanism, objectives and criteria. Because no one program can adequately address the needs of the individual, native enterprise or the native community, the client must master a bewildering maze of programs offered by two or three levels of government. Within the federal government alone there are many potential routes which a client might select. When an array of provincial programs is superimposed, it becomes clear that there is no simple blueprint for finding support for good ideas. It is no wonder that so much native entrepreneurship is absorbed in coping with government.

There is potential to improve the federal focus on native programs at the national level. However, such an approach would still be insensitive to the differing realities which native people face in different parts of the country. Perhaps more importantly, a purely federal approach would likely duplicate or conflict with the efforts of provincial or territorial governments. Closer federal/provincial cooperation and a decentralized federal approach comprise a promising path of achieving a coordinated focus on native programs in Canada.

THE MEMORANDUM OF UNDERSTANDING HOLDS PROMISE FOR EFFICIENT USE OF SCARCE PROGRAM FUNDS

A Memorandum of Understanding (see attachments to this Annex) could serve as an effective device for defining a comprehensive agreement between Canada and each of the provinces and territories. Such agreements, custom tailored to address the particular needs of each province and territory, would encompass all programs administered by each level of government for the benefit of aboriginal peoples. Negotiation of these memoranda, and their periodic renegotiation, are envisaged to provide a forum within which a common strategy and a streamlined and coordinated administrative approach can be worked out and refined. Memoranda might be written for a 10-year life span with major reviews provided for in the fourth and seventh years. Federal or provincial/territorial delivery of programs would be negotiated on the basis of which party is best equipped to deliver a particular service.

While all programs dealing with aboriginal peoples should be subject to these memoranda, they need not interfere with the basic constitutional responsibilities of either level of government in those areas where they are clear for citizens in general. Also, the agreements would have the benefit of removing the ambiguity surrounding responsibilities for status Indians where it currently exists.

Those provinces which have substantial aboriginal populations are keenly aware of problems existing under current arrangements and of the potential problems inherent in aboriginal demographics. There is a willingness on the part of provinces to explore a Memorandum of Understanding approach which promises to improve the overall effectiveness of government in meeting the challenge.

The approach also indicates a continuing federal commitment and promises to enhance provincial commitments. It pools federal and provincial resources and focuses them upon target objectives and groups. It should enhance regional sensitivity, improve client services and eliminate overlap and duplication.

THERE ARE SOME PROVEN MANAGEMENT PRINCIPLES FOR ADMINISTERING SUCH MEMORANDA OF UNDERSTANDING

Comprehensive federal/provincial agreements have been employed for regional development purposes, often for areas with large native populations, since the mid 1960s. Because such agreements imply coordinated joint-venture management by two sovereign authorities, the relationship is complex and there are lessons to be learned from previous experience. Some of the more important management principles follow:

1. Overall direction of implementation of each Memorandum of Understanding should be provided by a federal/provincial (or territorial) policy committee made up of ministers assisted by senior officials from both levels of government. A small secretariat and a planning program to implement native economic research and data development should support the policy committee.

2. Federal decision-making should be decentralized as far as practical to the provincial/regional level.

3. As illustrated in the attached diagram, some programs are seen as "direct" programs and are to continue to be administered and delivered directly by the line departments in each level of government. However, they need to be considered within the Memorandum of Understanding to ensure that province-wide or Canada-wide programs are modified where appropriate to be sensitive to the particular developmental requirements of aboriginal peoples in a particular area.

4. Other programs, particularly those to do with economic development, should be implemented under the guidance of the policy committee, even though implementation may be carried out by either federal or provincial departments.

5. To maximize federal/provincial (or territorial) collaborations, projects implemented under the guidance of the policy committee should feature joint decision-making, with each party effectively having veto power.

6. To ensure consistency and continuity in operational decision-making, authority should be vested in one provincial (territorial) and one federal official.

7. The pair of federal/provincial officials should be supported by an appropriate advisory committee in each significant program area. Such advisory committees need strong representation from the affected aboriginal peoples.

8. Each significant program area should be delivered through appropriately skilled staff who would channel their recommendations through the appropriate advisory committee.

9. Private sector involvement in both policy and advisory committees should be sought to include business, labour and private citizens who may assist in integrating government efforts with other community resources. Other avenues, such as executive exchange, need to be vigorously pursued to bring pragmatic know-how into the office delivering developmental programming.

A REFOCUSING OF PRIORITIES WOULD ALLOW MORE EFFECTIVE USE OF PROJECTED FUNDING

The demographics of the aboriginal population make it unlikely that overall expenditures can be reduced from projected levels in the forseeable future. However, the projected levels of federal funding on economic development in particular are probably adequate to service the pace of economic development which can be absorbed. This implies a reshaping of priorities to focus on those high pay-off opportunities which may emerge in each local setting, bearing in mind the stage of development, and the nature of the situation. Provinces and territories will be anxious to secure additional federal funding, but the negotiating process can be successfully cast within existing and projected expenditure levels, with a reallocation and refocusing of efforts. This refocusing is in the interests of both the federal government and the provincial/territorial governments. A preliminary allocation of funding to each provincial or territorial memorandum could be made taking into account current and projected spending in that province or territory, the number of native people and the current stage of economic development. The federal negotiating stance could be to seek a matching commitment in personnel and money from the provincial government.

There is a prevalent notion that status Indians, including Inuit, are a federal responsibility. Provinces have been reluctant to accept responsibility -- financial or otherwise -- for delivery of programming to status Indians. The economic development issue is a regional one which extends beyond reserve boundaries and opportunity often involves more than just one category of native Canadians. Provinces may agree to a collaborative approach to this regional development issue but may fall short of agreeing to, say, a 50/50 sharing of costs. Federal willingness to pay 100 per cent of the costs estimated to be attributable to status Indians is a possible fallback position.

Status Indians have come to view the federal government, and particularly DIAND, as their domain. There is potential reluctance to any perceived dilution of this special status. Special ARDA, however, has functioned for 14 years along the federal/provincial lines proposed here, so there is experience supporting the approach.

Status Indians would need to be assured that placing DIAND programs in the federal/provincial arena does not make them subject to diminution. A 10-year Memorandum of Understanding would go some distance in alleviating these concerns.

FEDERAL ECONOMIC DEVELOPMENT COORDINATORS PROVIDE AN ADMINISTRATIVE FRAMEWORK FOR IMPLEMENTATION

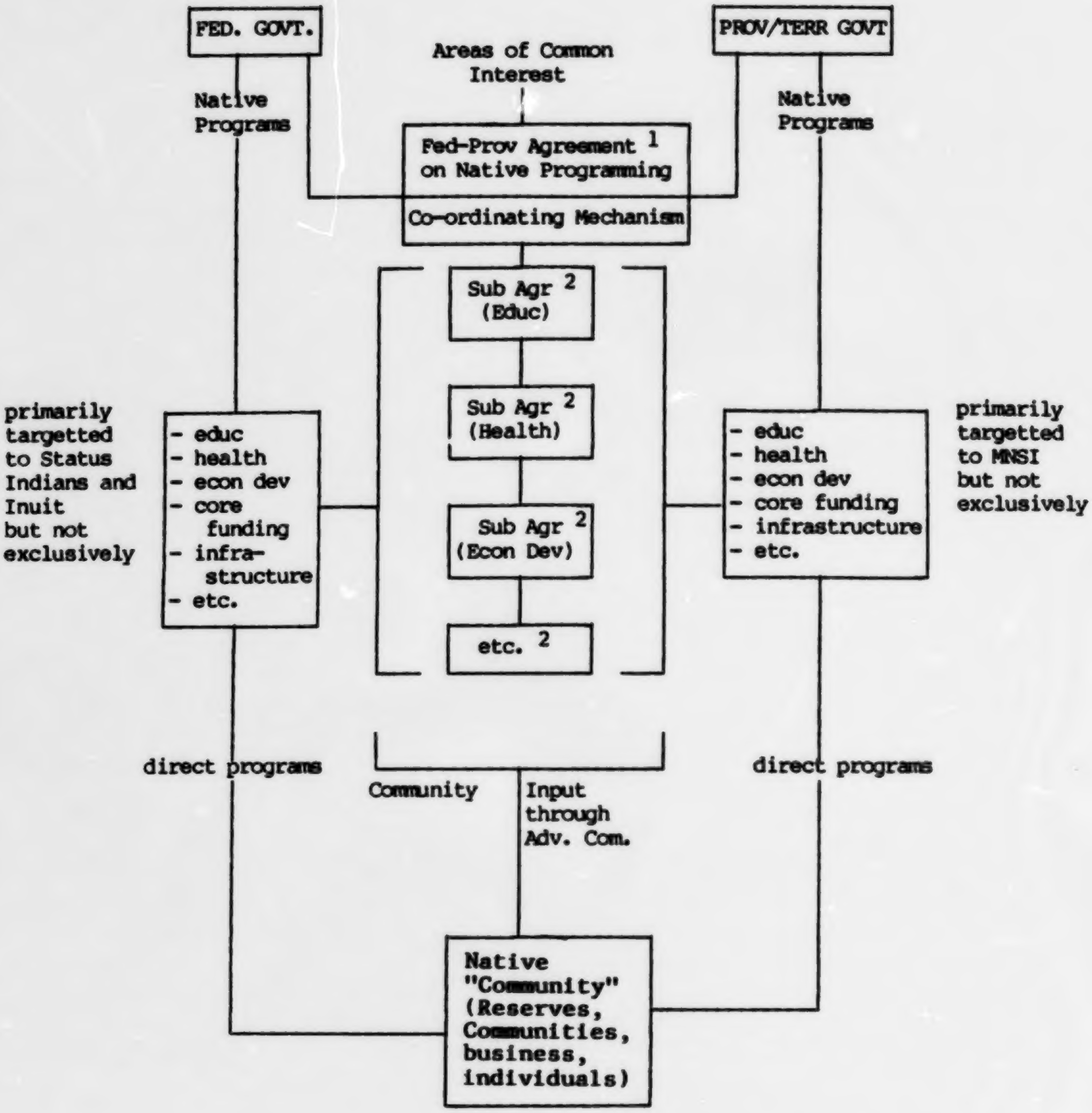
The Federal Economic Development Coordinators (FEDCs) in each province provide a logical mechanism for the Government of Canada to move ahead with implementation of the decentralized and differentiated approach outlined herein. These senior officials with their small supporting staffs are the logical instruments for negotiating the Memorandum of Understanding with each province. They have the stature and capability to coordinate the appropriate regional directors general for all relevant federal departments at the provincial level. In addition, they are now established as the appropriate contact point for provincial officials.

FEDERAL ECONOMIC DEVELOPMENT COORDINATORS NEED ACCESS TO APPROPRIATE CABINET COORDINATING MECHANISMS

All experience in the field as well as the practical experience and relevant theory from industrial management makes it clear that the FEDC "integrating" role requires access to authority at a high level. This is particularly true where the FEDC seeks to coordinate the efforts of several departments, in effect, of several ministers. When the FEDCs reported to the Ministry of State for Economic and Regional Development, they had that access, at least as far as economic programs were concerned. Now, as a part of the Department of Regional and Industrial Expansion, the FEDC organization must continue to have the access to the cabinet coordinating mechanisms it requires.

This is a pragmatic "machinery of government" issue which needs to be addressed head on, because it can directly affect the ability of Canada to implement its chosen policy course. Leaving the FEDC organization issue aside, cabinet access is not a new issue. Because programs and policy for aboriginal peoples involve social, economic and justice matters, they have taken up an inordinate amount of the time of the Cabinet Committee on Planning and Priorities.

Perhaps an ad hoc joint sub-committee of both the Social Development and Economic Development Committees of Cabinet (and of a justice committee if such is created) would be an appropriate vehicle for coordinating among ministers that policy which relates to aboriginal Canadians. The FEDC organization, as the integrating mechanism at the local level, needs access to such a committee.



[1] Could be in the form of a "Memorandum of Understanding" that spells out the intent of both governments with regard to the areas of common interest and the need to work together; identifies "key" Ministers to meet annually to provide direction to officials; and provides for subsidiary agreements to define the components of particular "Action Plans" with associated funding and implementation mechanisms.

[2] Sub Agreements substance and mechanisms could vary by province/territory and could be in the form of coordinating the programs of each government and/or include cost-shared programs.

ATTACHMENT

Memorandum of Understanding
between
the Government of Canada and
the Government of -------------

Whereas the Government of Canada and the Government of ----------- agree that the social and economic circumstances of native people in ----------- are unacceptable to governments, the native people themselves and society at large; and

Whereas both governments have a common interest in improving the delivery of programs specifically for native people as well as programs of general application which apply in significant ways to native people; and

Whereas, at the present time, the delivery of these programs has evolved in rather ad hoc ways, with coordination largely dependent on ad homenum relationships;

Therefore, the Government of Canada and the Government of ----------- hereby agree to the following:

1. To develop a profile of the social and economic circumstances of native people in ----------- with regional differentiations as may be appropriate for developing feasible action plans in consultation with communities affected;

2. to identify areas of common interest and prepare an inventory of present federal and provincial programs that now apply to those areas of common interest;

3. to develop a coordinated approach to native programming based on this program inventory;

4. to establish a coordinating mechanism at the ministerial level for policy discussion and at the officials' level for day-to-day coordination; and

5. to establish, in consultation with representatives of native communities, an Advisory Committee of native people and other interested persons to provide advice to both governments on needs, gaps and program delivery aspects of action plans.

In addition, the Government of Canada and the Government of ------------- take note of uncertainties that have evolved in matters of jurisdiction and financial responsibilities and agree to enter into discussions to disentangle this matter. The overriding purpose of this Memorandum of Understanding, however, is not to rearrange financial responsibility, but to provide an improved set of programs for native people in accordance with community and regional needs and thereby improve the effectiveness of the efforts of both governments.

Following discussions and after reviewing preliminary analysis, ministers may consider agreements subsidiary to this Memorandum of Understanding which focus on particular program categories, communities or regions. Such agreements would elaborate the program delivery intentions of both governments, provide for a coordinated approach and may, if appropriate, identify cost-sharing arrangements.

ANNEX II

WHY A NATIONAL INDIAN TRUST COMPANY?

Most Indian cash assets, are held 'in trust' in individual band accounts in the Consolidated Revenue Fund (CRF). These trust accounts constitute a substantial pool of capital (more than one billion dollars in 1984/1985). Although this money earns interest for band members, its potential as leverage for Indian economic development is neglected. With strong professional cash management, these funds could be applied directly to 'back stop' meaningful commercial activity. Concurrently, in the interest of stimulating some tangible economic betterment, it has become imperative for the Indian community to seek a new financial device as a mainstay of their economic future. It would also be a powerful symbol of the renaissance of Indian heritage.

Under federal law, a chartered trust company has freedom to provide a wide array of financial services to individuals or corporations. It is quite simply the "department store of the financial world".

A national Indian heritage trust company could offer the full range of money services: savings and chequing accounts, guaranteed term deposits, investment management, mortgage and real estate services, pension fund management, consumer and commercial lending and trust and estate services, to both native and non-native clientele. Income earned on-reserve and profits generated by off-reserve Indian-controlled commercial ventures, could only increase the strength of the Indian community's financial and social structure. The benefits that arise from this investment activity would enhance Indian employment and develop expertise able to compete advantageously within the broader Canadian commercial spectrum.

A national Indian heritage trust company is one means whereby the Canadian taxpayer's annual liability to the registered Canadian Indian could be limited and provide a twofold gain: a reduction of welfare costs and similar support payments and direct economic contributions by Indian people to the overall economic wealth of Canada.

LEVERING INDIAN ASSETS

In a growing number of situations (albeit still a small proportion of the total), Indian communities are credited each year with substantial income that is surplus to their immediate needs. Royalties from resource development, cash compensation for land claims and income derived from leases, permits, and easements over reserve lands, represent substantial amounts of money annually. A repository that would multiply and circulate these monies within the Indian community for a host of worthwhile initiatives could inevitably become a cornerstone for Indian economic emancipation on a national scale. More specifically, the interaction between the institution (through its branch network) and the reserve communities, could accelerate housing, infrastructure and community facilities activity in the most positive and progressive way. Similarily, trust funds held on behalf of minors, representing a long-term pool of capital, could be made available to meet community needs.

As a result, Indian assets would be applied to Indian projects, reserve communities would be the recipients of badly needed facilities and systems, and Indian minors would be credited with a safe reasonable rate of return through a prudent, orderly investment of their trust monies.

A national Indian heritage trust company, headquartered on an Indian reserve with some, if not all, of its branch offices similarly located, would provide the Indian depositor with a decided tax benefit on income derived from that deposit. Income earned by Indians on a reserve is not taxable whereas Indian deposits in traditional financial institutions located off-reserve are susceptible to tax. In consideration of the vast amounts of money which are likely to accrue to Indian people in claims resolutions, natural resource developments, and/or awards through successful litigative actions, this particular advantage would ensure a healthy portfolio of major Indian clients from the institution's earliest days.

SOME OPERATIONAL ADVANTAGES

Bound by the provisions of the Federal Trust Companies Act, a national Indian trust company would be forced to operate with discipline and on clearly defined business principles. However, viable Indian economic enterprises could apply for credit extensions with the comfort of knowing that their unique legal and cultural characteristics as borrowers were appreciated by the lender at the application stage. The Indian trust company on the other hand, would have considerably less difficulty and greater licence than traditional lenders to realize on its security, or to take recourse against Indian indebtedness in the event of default or failure to meet lawful obligation.

Under the Trust Companies Act, there is provision for Estates, Trusts and Agency Accounts (ET and A). These accounts are managed "off balance sheet" allowing greater flexibility for investment of individual or group funds under the specific directions of the Indian client. Bands or tribal groups could use this type of account to make loans to their members under favourable terms and conditions (e.g. lower rates of interest, longer repayment schedules etc.). Bands with such accounts could address specific economic sectors of their own local economies where there is the greatest opportunity for success, without the need to develop an expensive in-house capacity to administer the process.

There is nothing at present to suggest that the country may not be capable of supporting more than one such Indian trust company. However, it must be remembered that the instrument is a powerful financial tool that is supervised and expected to operate in a prudent and orderly fashion. The Federal Department of Insurance, the supervisory agency for federal trust companies, would undoubtedly be reluctant to entertain numerous applications for what might in effect result in small regional operations. Further, there have been suggestions of late that the governing statute (i.e. the Trust Companies Act) is in need of revision, particularly in respect to ownership and limitations which may be placed on any single party holding equity in such an institution. It should also be remembered that an Indian trust company is already in existence with four years of successful operation to its credit (Peace Hills Trust). Constituting a new trust company will be expensive and time consuming. Further, it would represent immediate competition and a challenge to the incumbent institution. Whether Peace Hills Trust would be receptive to an approach to broaden its ownership and to occupy the national scene is well worth exploring.

Finally, people have to compete to prosper in an open economy. With their treaties, reserves and special legislation, the Indians in Canada must become such a people and develop their own financial devices. A national Indian heritage trust company could become significant in the emergence of a self-reliant Indian economy.

EXPENDITURES IN NATIVE SECTOR ($ MILLION)

			1973/74	1978/79	1983/84	1984/85	1985/86	1986/87 (1)	1987/88 (1)	REMARKS
1.	HOUSING	DIAND	23.9	42.9	133.1	102.1	101.8	101.8	101.8	$500 million required to address backlog.
		CMHC	(2)	(2)	76.1	88.5	97.3	102.0	106.9	
2.	INFRASTRUCTURE	DIAND	30.6	60.2	194.6	192.1	196.4	202.5	219.5	
		TRANSPORT	(2)	(2)	7.2	26.8	21.7	22.2	Not yet Established	
3.	ECONOMIC DEVELOPMENT	DIAND	21.9	44.9	39.5	34.5	30.4	30.4	30.4	
		DRIE	1.1	8.3	18.0	39.4	144.5	169.8	90.8	
4.	NATURAL RESOURCE AGREEMENTS	DIAND	0	0	1.1	1.8	1.8	2.0	.3	
		F & O	(2)	(2)	2.7	2.7	2.7	2.7	2.7	
5.	REGIONAL DEVELOPMENT AGREEMENTS	DIAND	85.0	225.7	462.0	495.6	578.0	615.0	666.0	
		DRIE	0	24.7	32.2	37.3	32.2	31.6	4.4	
6.	TRAINING AND MOBILITY	DIAND	5.1	8.4	26.1	20.7	20.1	20.1	20.1	
		EIC	19.2	27.0	118.1	137.5	114.8	101.3	101.3	
		JUSTICE	(2)	(2)	.2	.2	.3	.4	.4	
		PSC	(2)	(2)	2.6	5.6	6.8	6.8	6.8	
7.	MAJOR RESOURCE DEVELOPMENTS	DIAND	0	0	10.5	15.5	18.3	17.2	26.7	
8.	HEALTH	DIAND	1.9	6.8	10.2	17.9	17.9	17.9	17.9	
		H & W	60.1	125.6	273.3	320.8	358.8	358.8	358.8	
9.	WELFARE	DIAND	61.5	133.1	278.0	304.9	312.8	319.7	320.4	
10.	EDUCATION	DIAND	131.0	252.1	479.0	532.5	571.9	577.1	586.5	

			1973/74	1978/79	1983/84	1985/86	1986/85	1986/87	1987/88	REMARKS
11.	CULTURE & COMMUNICATIONS	DIAND	4.3	7.7	12.1	12.3	12.6	12.6	12.6	
		SEC STATE	9.9	18..	39.0	43.7	47.2	47.7	34.2	
12.	RESERVES & TRUSTS	DIAND	10.9	13.0	21.7	29.3	32.4	32.2	32.3	
13.	NATIVE CLAIMS	DIAND	0	9.9	50.5	170.8	138.9	96.2	64.8	Estimated $8 Billion required to settle all outstanding claims
14.	BAND MANAGEMENT	DIAND	25.4	52.5	117.6	121.7	124.2	122.4	122.0	
15.	ADMINISTRATION OF JUSTICE	DIAND	(2)	6.1	12.8	14.1	14.6	14.6	14.6	
		JUSTICE	(2)	(2)	3.0	3.8	3.9	3.9	4.1	
		SOL GEN	(2)	(2)	.4	.6	1.0	1.0	1.0	
	NATIVE PROGRAMS TOTAL				2,421.6	2,772.7	3,003.3	3,029.9	2,947.3	

NOTES (1) Estimate of future expenditures in 1985/86 constant dollars derived from resource guidelines.
(2) Figures not available in this format

ANNEX IV

POLICY ASSUMPTIONS

At the time the work plan was approved, the Task Force agreed to eight assumptions to guide the study team in its work. These are reproduced below:

1. Canada will continue to respect and meet its basic obligations in regard to native people as now defined or as established through the negotiation process on the Constitution.

2. Beyond basic legal obligations, Canada has a continuing interest in the social and economic well-being of native people, and should give substance to this interest through various departments and agencies on the basis of their particular mandates and expertise.

3. Canada intends to move in the direction of facilitating greater decision-making and responsible government at the community level.

4. Recognition of Indian bands as sovereign entities is not contemplated.

5. Federal programming in Yukon and the Northwest Territories goes well beyond programming for native people, but this review will limit itself only to native people.

6. Native communities, including reserves, can be categorized as urban, rural and remote, but circumstances and needs will vary greatly within these categories and programs, rather than necessarily being "national". There will be a need to take these differences into account and to tailor to specific conditions.

7. There are limits to the magnitude of expenditures possible, so every dollar must be effectively spent.

8. There could well be merit in testing new approaches on a pilot basis in some communities perhaps in cooperation with provincial governments.

CATEGORY REVIEW

RESERVES AND TRUSTS

PROGRAMS

Reserves and Trusts fulfills the legal obligations of the Government of Canada in relation to reserve lands, trusts and membership (1984/85 budgeted costs are $29.3 million, 324 person years).

Lands, Estates and Membership (INAC 306) sub-activity seeks to ensure that Indian lands are well managed, the estates of deceased and certain living Indians are properly administered and that all status Indians are duly registered ($14 million, 233 person years).

Indian Natural Resources and Trust Funds (INAC 307) seeks to administer resource transactions, (e.g. leases, permits and various contracts), for the extraction and sale of the resources, and administers trust funds for bands in interest-bearing accounts with the Consolidated Revenue Fund ($4.5 million, 55 person-years).

Institutions and Treaty Management (INAC 308) oversees:

- the conduct of elections of band councils (except where councils are established by custom);
- referenda on broad matters affecting band affairs; and
- appeals of election or referenda results.

It also processes approvals or disallowances of band by-laws, ensures payment of monies or other treaty obigations (e.g. provision of ammunition, hunting, fishing and clothing supplies), and provides treaty and historical research expertise ($9.8 million, 26 person-years).

Litigation Support (INAC 309) provides legal and research support to meet the rising incidence of litigation on the propriety of existing DIAND policies or practices ($1 million, 10 person-years).

AUTHORITY

Indian Act, Financial Administration Act, Indian Oil and Gas Act and various treaties.

BACKGROUND

Indian resources include federal lands with the root of the title vested in the Crown. Status Indians, for whose use and benefit the lands are set aside, have a first claim on the title. A conveyance by lease, permit, agreements of purchase and sale or other instrument can only be made valid with the approval of the titleholder (i.e. the Crown as represented by the Minister of Indian Affairs). The proceeds from contracts for resource development on reserve lands is payable only to the Receiver-General and is held "in trust" in the Consolidated Revenue Fund (CRF) for the appropriate band.

Indian trust fund balances on deposit with the CRF now exceed one billion dollars. Revenues from the sale of non-renewable and renewable resources, reserve leases for exploration, etc. are currently about $800 million per year. Bands may apply to the minister under Section 64 of the Indian Act for disbursements from these individual capital accounts. Disbursements are running about $300 million per year.

Approximately 30 Indian bands have significant trust fund balances; Alberta-based "oil and gas" producing bands (17 in total) contribute most to the fund's growth.

The Indian Lands Registry administers about five million hectares of reserve lands. The membership registry processes some 40,000 transactions (e.g. births, deaths, marriages etc.) per year. The land claims process, resolution of outstanding treaty land entitlement, and anticipated changes to the membership provisions of the Indian Act will dramatically increase the workload of both registry functions.

There is a vast potential legal liability for past practices and alleged improprieties in the government's administration of Indian assets.

Given both the value and the potential for development of natural resources on some Indian reserves and subsequent Indian lands through claims resolution, not enough emphasis has been placed on the procurement of bona fide expertise to administer and negotiate development agreements with private sector oil, gas, timber and mining interests. In many instances, the prudent exploitation and management of these resources will represent the Indian community's long term "heritage".

In separate but related analyses of the Reserves and Trusts area, the Auditor General, the Penner Report on Indian self-government and the Standing Committee on Indian Affairs and Northern Development, have each arrived at the same basic conclusion in their own way: either dramatically improve the program's capacity to fulfill its statutory and legal obligations in the administration of Indian assets or alter the legislation and transfer to Indian control all but a few of its components.

COMMENTS

No true overlaps or duplications exist with other federal programs in the provision of these services. However, maintaining all facets of the minister's fiduciary responsibilities in this area would be inconsistent with the notion of Indian self-government.

There is both a lack of expertise and adequate resources to effectively manage existing levels of Indian assets.

FINDINGS

Encouragement and support for the creation of a properly constituted, federally regulated trust company with broad Indian ownership would be timely (see Annex II for more detail).

Amendments to the Indian Act to allow the Minister to transfer some (but not all), of the fiduciary responsibility to the aforementioned trust company is highly desirable. It is recognized and accepted that such changes to the statute will require time and thoughtful analysis before being brought into force and effect. Similarily, the transfer of Indian trust and estate monies to an Indian trust company should only be contemplated in a phased manner so as not to rapidly draw against the Consolidated Revenue Fund nor prematurely overexpend the deposit base of the financial institution.

In the management and administration of Indian natural resources it will be important to ensure that the in-house capacity exists to prudently manage the function. Further, there must be a mechanism for the manager to acquire professional expertise outside of government, if that is necessary.

PREFERRED ALTERNATIVE

The study team recommends to the Task Force that the government consider the following:

> The constitution of an independent national Indian trust company, in concert with Indian Act amendments to provide for the transfer of the responsibility and safekeeping functions for Indian cash assets from the Crown to that entity, are now due serious consideration.
>
> It will be of no less importance to fortify the Crown's capacity to act in its fiduciary role with respect to reserve-based natural resources and strengthen its capacity to defend itself against legal challenges that it may not have acted in the best interests of Indian people as their trustee.

RESERVES AND TRUSTS (INAC 306 - 309)

OBJECTIVES

To fulfill the legal obligations of the Government of Canada in matters respecting Indians as specified in the Indian Act, the Financial Administration Act, other legislation and various treaties.

AUTHORITY

Indian Act, Financial Administration Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

The Reserves and Trusts Branch of Indian Affairs provides a required, statutory group of services that meet minimum, basic Indian needs.

The changing political, social and economic environment in Indian communities has increased the attention paid by Indian people to the land, trust and membership regimes.

Although the manner in which government seeks to fulfill its legal obligations to Indians is often a source of disagreement with Indian people, there is a consensus on the part of both parties of the paramount importance of maintaining some system to protect Indian rights and/or assets in all of their various forms.

ASSESSMENT

Virtually every function of this program component will experience increased demands for greater, more sophisticated technical and professional capacities.

Given the number of bands (579), the variations in their size and complexity of activity, the number and types of transactions will grow and create significantly higher workloads in all statutory areas.

Resolution of outstanding treaty land entitlements, and land claims (either specific or comprehensive), will impact on the Indian lands registry operation.

Anticipated changes to the Indian Act membership provisions will add to the current 40,000 plus transactions per year (e.g. births, deaths, adoptions, marriages) requiring registration.

Trust Fund balances managed 'in-house', will reach an astonishing one billion dollars in 1985, with annual revenues of $800 million and disbursements exceeding $300 million.

The frequency of litigation against the Crown for breach of trust and other cause will require more resources.

The transfers of various activities to bands and/or their conversion to electronic computerized systems and the definition/verification of historical and treaty based obligations, will be ongoing and in a growth mode.

DESCRIPTION

Reserves and Trusts fulfills the legal obligations of the Government of Canada in relation to reserve lands, trusts and membership as follows:

1. Lands, Estates and Membership (INAC 306) sub-activity seeks to ensure that Indian lands are well-managed, the estates of deceased and certain living Indians are properly administered and that all status Indians are duly registered. (Legislative authority - Indian Act)

2. Indian Natural Resources and Trust Funds (INAC 307) seeks to administer resource transactions, (e.g. leases, permits and various contracts), for the extraction and sale of the resources, and administers trust funds for bands in interest bearing accounts with the Consolidated Revenue Fund. (Legislative Authority - Indian Act, Indian Oil and Gas Act).

3. Institutions and Treaty Management (INAC 308) oversees:

    a. the conduct of elections of band councils (except where councils are established by custom);

    b. referenda on broad matters affecting band affairs; and

    c. appeals of election or referenda results.

It also processes approvals or disallowances of band by-laws, ensures payment of monies or other treaty obigations (e.g. provision of ammunition, hunting, fishing and clothing supplies) and provides treaty and historical research expertise. (Legislative authority - Indian Act, Canada/Newfoundland Native Peoples Agreement, 1981.)

4. Litigation Support (INAC 309) provides legal and research supports to meet the rising incidence of litigation on the propriety of existing DIAND policies or practices.

RESOURCES ($ Million)

	1985 Forecast	**1985/86 Estimate**
Lands, Estates and Membership	14.2	16.4
Indian Natural Resources and Trust Funds	4.7	4.4
Institutions and Treaty Management	9.5	10.3
Litigation Support	.8	1.3
TOTAL	*29.2	*32.4
PYs	324	326

Reserves and Trust accounts for 2.1 per cent of the total Indian and Inuit Affairs Program expenditures and, 7.4 per cent of its total person year allocation.

* Of total expenditures, 41.8 per cent relate to personnel costs, 13.8 per cent to professional and special services and, 39.8 per cent to transfer payments to Indian bands or individuals.

OUTPUTS

Land, Estates and Membership administers:

- 2,254 Indian reserves comprising some five million hectares;
- some 8,500 registered land transactions and several times that number in enquiries of a general nature;
- 1,000 or more estates of deceased Indians with cash assets fluctuating between one and five million dollars at any given time;
- 20,000 individual trust accounts for Indian minors or mental incompetents with a cash value of some $70 million; and
- a membership registry for all 350,000 status Indians with annual registrations and de-registrations of some 40,000 per year.

Indian Natural Resources and Trust Funds administers trust funds from the sale, lease or other disposition of resources of all 579 bands totalling one billion dollars, with annual revenue of approximately $800 million, and annual disbursements of approximately $300 million. Approximately 1,500 transactions are concluded on an annual basis.

Institutions and Treaty Management supervises some 346 band elections annually, processes about 110 requests per year for band by-laws to be approved and, meets the Crown's treaty obligations in some 278 reserve communities.

Litigation Support currently researches and assesses some 100 individual legal disputes.

CONSIDERATIONS

Reserves and Trusts Branch is the sector of Indian and Inuit Affairs most responsible for exercising the Crown's much debated "trust" responsibility.

In carrying out the fiduciary role of administering and managing Indian assets, this area of the program is most susceptible to challenges by the beneficiaries for its past, current and future methodology.

Some current legal limitations and restrictions (e.g. Indian Act and Financial Administration Act), temper the ability of the government to respond more fully to Indian overtures for transfers of authority with their accompanying funding levels.

An adequate land and resource base is seen as a prerequisite to Indian self-government. Continuing to hold a Minister of the Crown responsible for the management of Indian land, monies and/or resources as well, is the antithesis of Indian self-government.

ALTERNATIVES

Without appearing to shrink from its legal, moral or statutory obligations, the government could seek to transfer the administration and maintenance of a number of these Reserves and Trusts functions into Indian control in the interests of both efficiency and the overall Indian/government relationship.

In both Indian Natural Resources and Trust Funds and, Estates Administration areas, the notion of placing Indian estates and trust funds under an Indian controlled, properly constituted authority (e.g. a financial institution), would strain the present legislation (i.e. the Indian Act). Current statutes dictate that disbursements of trust monies must represent "expenditures" with the minister's approval. Clearly this would not be the optimum or "cleanest" method of making such transfers for they would not represent real expenditures or absolve the minister of a lingering liability to ensure their prudent management. However, if the responsibility and authority for these matters are to be exercised by Indian people the legislation must be changed to legitimize such transfers. Further, the size and financial dimensions of the trusts and estates funds provide a bona fide raison d'être for an Indian financial institution.

In the Indian Natural Resources area, greater priority must be given to maximizing Indian benefits from timely natural resource development, identification and exploitation on existing reserves or in claims situations where reserves are likely to be created. This will necessitate increased professional and financial resources to be applied to resource development negotiations for Indian lands. Upgrades in position classifications for the staff of the mining and mineral offices may be the most appropriate and efficient way of attracting the increased expertise that will be required.

In the Litigation Support area legal anomalies inherent in the application of the Indian Act and related regulations contribute to highly dynamic and unpredictable factors in the area of litigation support. Furthermore, the program at present provides resources to select Indian groups to challenge its own practices and procedures - a dilemma which strains the objectivity of the service. It may be time to develop with the Department of Justice a joint mechanism to 'contain' the very serious activity that lies ahead in this area.

The concept of Indian self-government and the attendant assumption that it will impact on the source and delivery of services, now almost solely within the program's purview, suggests a number of alternatives. However, in the case of the Reserves and Trusts area and with the exception of those specific components already identified as capable of transfer to Indian control, it will require some extraordinarily imaginative thinking to improve upon the existing system of registry operations now in place.

CONCLUSIONS

Provisions in the governing statute (i.e. the Indian Act), are perceived by Indian people to be paternalistic in nature and at odds with their current determination for greater control and autonomy. Similarly, Indian management of the majority of band funds, the levering of which would provide them with significant financial clout, is limited by both restrictive legislation and a measure of traditional thinking.

There are unmistakable indicators that the Indian resource development and litigative support functions are fraught with danger and financial consequence unless they are properly equipped to meet the pressures that continue to mount towards the government's liability/responsibility in these areas.

Strategically, a process could begin without delay whereby those bands or Indian groups who are capable of participation (in an equity sense) in the constitution of a national native financial institution, are indentified and canvassed to determine their level of interest (see Annex II).

Simultaneously, those sections of the Indian Act which restrict the minister's ability to negotiate transfers of trust and estate funds to a properly constituted, federally regulated, financial institution (e.g. an Indian heritage trust company), should, over time, be amended and confirmed in law.

CATEGORY REVIEW
ECONOMIC DEVELOPMENT

PROGRAMS

Nine Economic Development programs for natives are provided by DIAND and DRIE (including the Ministry of State for Small Business) at a 1984/85 budgeted cost of $73.9 million and 229 person-years. The authority is granted under the ARDA Act, the Indian Act, the DRIE Act and the Appropriations Act.

Special ARDA (DRIE 52) makes contributions and loans to "disadvantaged people, particularly those of Indian ancestry" living in rural areas, to improve income opportunies from farming, fishing and business ventures ($18.4 million, 37 person-years).

Native Economic Development Fund (DRIE 106) provides funds for the purpose of increasing native self reliance. It provides capital for native businesses and institutions and improves access to public and private economic resources ($21.0 million, 55 person years).

DIAND Economic Development Program (NEW) operates the following programs as sub-programs which all have as their general objectives the support of native communities to obtain more economic independence and employment ($34.5 million, 137 person years):

1. Business Development, Indian Economic Development Fund (IEDF), Business Assistance, Indian Advisory Services (INAC 41, 42, and 90) DIAND provides contributions, loans and loan guarantees and advisory services to support Indian owned businesses.

2. Eskimo Loan Fund (NEW) provides loans and loan guarantees to support Inuit controlled businesses.

3. Institutional Support provides grants to native institutions to increase the capacity of natives to participate in economic development by improving production from farming, fishing, marketing of arts and crafts and by resource development.

4. Community Development Support Service Delivery makes grants to 68 bands and 16 councils in Ontario and Quebec to pay for economic planning.

5. Renewable Resources makes contributions and provides technical services to develop fish, wild fur, wild rice and tourism industries.

BACKGROUND

The level of participation by native people in the Canadian economy lags significantly behind that of Canadians in general. Nationally, about 25 per cent of the Indian working age population is employed. In some regions such as Saskatchewan this figure is only 10 per cent. For Canadians as a whole, the comparable rate is 57 per cent.

Participation rates reflect poor training and education. There is a lack of capital, entrepreneurial experience and viable economic opportunities in native communities. Many have a very limited resource base, geographical deterrents for manufacturing activity and a large and rapidly growing population.

In some native communities there are opportunities to develop service industries, resource projects or selected manufacturing. Income earned on reserves is tax free to status Indians.

In many of the rural and remote communities, economic development starts with a survey of the potential for a new business; an investment for primary production (farming or fishing); or the identification of sources of aid and the preparation of proposals for support from one of the government programs. In communities with a more highly developed capacity for economic activity, support may be in the form of capital as grants or loans. Advice as to technical and economic feasibility is required for most projects. Some new developments require additions to infrastructure.

A detriment to developing businesses on reserves is that lenders do not have access on the reserve to enable re-possession of assets. Consequently, the normal bank lending facilites are not available to on-reserve Indians in the way they are to others. The effect on the financing of businesses caused by this lack of availability is apparent, but not so apparent is the handicap to Indian entrepreneurs. In the small communities of Canada, the bank is a very important institution for small businessmen. The counsel and discipline provided by the local bank manager is of great value. The Indian communities on-reserve do not have the same link with the financial community because the banks do not have the same opportunity to serve the reserves.

COMMENTS

There are no obligations in the treaties with native people that require the government to develop economic programs for Indians. Nevertheless, the federal government has attempted to achieve a higher degree of economic self-sufficiency for natives by providing economic development programs

The programs have been designed within a policy framework extending from developmental objectives, which would contemplate a return on investment, to subsidies that provide job opportunities, and even to programs to maintain a basic level of living.

The federal programs for Indians are almost exclusively for status Indians living on reserves.

Indians living off reserves have access to the economic development programs of the provinces.

SPECIAL ARDA

The Special ARDA program is one of the most popular with natives and the provinces in which it operates. It has been successful in creating small business undertakings in the service and primary producing industries. It has been less successful in assisting small farmers and fisherman. Provinces share in the delivery, primarily through provision of specialized staff who work with federal employees and natives.

NATIVE ECONOMIC DEVELOPMENT PROGRAM

The NEDP which projected spending of $122.1 million in 1985/86, is directed at the development of native-owned businesses including individual entrepreneurs, corporations and community owned enterprises. Assistance is through grants and contributions and seldom used repayable loans. The program is targeted to deliver 50 per cent of its funds through native institutions, 25 per cent to business development and 25 per cent to community development.

The NEDP, approved by Cabinet in May 1983, is operating in the second year of a four year mandate. At this point it is not fully operational. It plans to establish new federal offices in Montreal and Vancouver, in addition to its Winnipeg headquarters.

Although half-way through its mandate, the NEDP has approved only 34 projects for a total cost of $11.7 million. Twenty-one additional projects have been recommended for approval.

NEDP is a unilateral federal initiative.

DIAND PROGRAM

Within this program are a host of activities which have been generally classified as economic development programs.

IEDF has objectives very similar to NEDP, and to SARDA. The problems that arise from this overlap are discussed below.

The programs for institutional and community development support are intended to develop community and sectoral institutions that can stimulate economic activity. Examples of such institutions are the National Indian Arts and Crafts Council or the Wild Rice Development Corporation. There are 31 such institutions receiving support.

Funding for four of the institutional programs terminates on March 31, 1985. Extensions will be sought by DIAND for Saskatchewan Indian Agriculture Program, (SIAP), Manitoba Indian Agricultural Program (MIAP), and the National Indian Arts and Crafts Council, (NIACC). These programs have about a 30 per cent success ratio.

The fourth program, Northern Native Fishing Council (NNFC), does not need to be extended.

The DIAND group of economic development programs is more noteworthy for the range of activities it funds than for its track record in developing successful businesses and permanent jobs for natives. The programs confirm the difficulty of developing successful businesses from scratch and of creating entrepreneurs and farmers in the Indian communities.

Native economic development programs have a number of problems in their design and delivery. The more obvious ones are described below.

1. The program objectives for SARDA, NEDP, and IEDF cover too broad a range of economic and social purposes to permit results to be fully measured.

2. There is considerable duplication in three administrations for decision-making and financial control. This is complicated in that two of three also provide loans and require administrative functions that are to some extent a duplication of FBDB.

3. A comparison of outputs of the three programs follows:

84/85	SARDA	NEDP	IEDF
Projects No.	500	30	643
Funds	16.5	15.0	13.9
Program $	18.7	19.3	18.7
PYs	37	55	107

4. There is a strong emphasis on the creation of new businesses and entrepreneurs at the same time. There would probably be better results if more of the investments were for the purpose of taking over established successful operations.

5. There is limited federal support to critical non-financial aspects of business such as project development, operational counselling, monitoring, and business advice.

6. While the programs are subject to financial control, audit and evaluation procedures, they do not have "value for money" criteria. A large part of the loan portfolios are past due or bad-debts. The cost of jobs created by these programs cannot be easily determined.

7. The federal effort pushes the money out for business formation and abandons projects to survive on a "sink or swim" basis. While there is an indication that this has produced a number of small businesses which survive, there is limited evidence of the emergence of an entrepreneurial class which can become a driving force in future native economic development.

8. At the present time the creation of additional jobs for natives living on-reserves is largely a matter of adding more people to payrolls funded by government grants and transfers.

9. The clients have difficulty understanding the restrictions on individual programs, the need to deal with a variety of federal offices or the logic for acceptance and rejection of support within programs.

If the three programs continue as separate administrations, projects which require support exceeding $250,000 should be assigned to NEDP and those of lower value to the other two funds. Under the Economic and Regional Development Agreements with provinces, the NEDP could be used as means to develop primary resources (Projects over $250,000).

There are a number of restrictions which mitigate against good business practice.

Under the Reserves and Trusts category the study team has proposed an independent national native heritage trust company. Such an institution would be capable of administering programs for native or government clients. A government program to loan funds to native businesses, if administered by a trust company, would be subject to a strong business discipline.

The institutional development program is an attempt to address the theory that experienced native people can provide better services to prospective native business and thus reduce native dependence on government. However, on the basis of evidence to date the net result is a replacement of a layer of government bureaucracy with a layer of native economic institutions dependent on continued support from government. The result to government is equal or higher costs, questionable improvement in client services and a distinct reduction in accountability and control.

The renewable resources program provides support to the same clientele as Special ARDA in provinces where there is no Special ARDA agreement.

FINDINGS

The term economic development may be understood to mean the process whereby men and women organize themselves in order that they may meet present needs and wants. Within this definition, economic development is understood to be integral to the social and political needs of men and women.

The term economic development may also be understood to mean the process whereby goods and services are produced, exchanged, sold and traded. Within this definition, economic development is understood to be discrete from the social and political needs of men and women. It is the second definition that should be the basis for native economic programs.

The criteria for funding projects should be based on normal business standards for return on investment, profitability and cash flow.

Such standards have been used for the Eskimo Loan Fund, which has a history of success.

The boards that advise on the use of funds should be augmented with individuals who have a demonstrated expertise in financing and operating businesses.

Overlaps in SARDA, NEDP and IEDF should be removed by redesigning the economic programs within one program. The objective should be to serve the entire client group from a single department.

Similarly, the cost of establishing separate federal offices of NEDP is unnecessary and encourages isolation rather than consolidation of federal expertise in responding to native economic development.

The three institutional development programs (SIAP, MIAP, NIACC) for which funding expires on March 31, 1985 should be required to develop plans to become self-sustaining within three to five years.

Those social programs which are still desirable could be retained under a section of DIAND that has a social development mandate.

The funding of small primary producers (farmers, fisherman, artisans' outlets) and grants to community institutions should be part of a single program operating under socially driven objectives that do not masquerade as economic programs. The program should have a fixed time frame, say five years, and a requirement to achieve self sufficiency.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

A clear distinction should be drawn between economic development programs and community support programs.

Economic development programs which provide contributions should be consolidated, as quickly as possible, into a single federal department that uses business criteria in deciding to support native enterprise. The administration could be through DRIE, which has an established network of regional offices with capacity for business evaluation and monitoring. The preferred mechanism would be through federal-provincial arrangements along the lines of the Special ARDA Agreements, which have worked well in the provinces where they are used. These business supports should be complemented where appropriate through federal-provincial regional development agreements. Support in the form of loans should be handled by FBDB who can apply a banking discipline to the loan portfolio.

Support in the form of technical advice to businesses that are funded should be strengthened. Canadian Executive Services Overseas (CESO) and Counselling Assistance for Small Enterprise (CASE) are sources that can be accessed for this service.

The community support programs should remain in DIAND over the short term. These programs could be phased out through replacement with federal-provincial regional development agreements in support of economic development. Institutional support about to expire, should be extended for two years with the clear direction that recipients develop plans to become self sufficient within three to five years, through support from band allocation, or be terminated.

To effect the above proposals the following actions are required:

1. Transfer the contribution portion of DIAND's Indian Economic Development Fund to DRIE.

2. Transfer the loan capacity of DIAND to FBDB.

3. Provide policy direction to FBDB for servicing of native enterprises.

4. Enhance the accessibility to native communities of FBDB financial and technical services.

5. Substantially amend the NEDF by terminating the present delivery arrangement and manage the $345 million fund within the DRIE departmental structure. Retain the advisory board structure to advise on native economic development generally and in particular to recommend to the minister, appropriate action on large projects (government contributions of greater than $250,000). To play this role effectively the Board must be reinforced by more members who have strong business backgrounds.

6. Support to institutions should be limited to viable business ventures; contributions toward assisting institutions to provide technical and financial services should be terminated. Community development support on a pilot basis, as presently envisaged, should be pursued through federal-provincial agreement and on a reduced scale.

7. The $345 million fund should be retained but in accordance with the above changes. It would be managed over a longer period of time with substantial short run savings through deferral of expenditures in accordance with the requirements of viable projects rather than through premature and artificial force feeding with questionable results.

SPECIAL ARDA (DRIE 52)

OBJECTIVES

To improve the income and employment opportunities of disadvantaged people, particularly of Indian ancestry, in rural areas.

AUTHORITY

Agricultural and Rural Development Act; Department - Regional Industrial Expansion.

INTRODUCTION

Special Agricultural Rural Development agreements were first concluded with western provinces in 1971. Since then $125 million has been disbursed in Manitoba, Saskatchewan, British Columbia, Yukon and the Northwest Territories. The present agreements expire in 1987.

ASSESSMENT

The program emphasizes the development of businesses and entrepreneurial skills among native people, and improvement in income opportunities from farming and other primary producing activities through increased local ownership of undertakings and development of resources by local people.

DESCRIPTION

The program is administered by the Department of Regional Industrial Expansion.

Projects are evaluated by advisory committees composed of federal, provincial and native representatives. The funds are used to support the establishment of commercial undertakings, infrastructure, primary producing ventures, and social adjustment measures.

The sponsor of a project is required to provide 50% or more of the funds.

RESOURCES ($ Million)

	84/85
Salaries and wages	1.5
O & M	.4
Contributions	16.5
PYs	37

OUTPUTS

More than 2,000 projects have been approved. Over 70 per cent of SARDA funds have supported small commercial undertakings such as hotels, restaurants, woods operations, etc.

Program evaluations indicate that to February 1982, 4,200 new jobs had been created and another 10,000 people have been able to improve their income because of the program. The cost of developing a full-time job was between $10,000 and $30,000.

In the areas where the program is offered, staff is adequate to handle the demand.

CONSIDERATIONS

The program in strongly supported by the native community at the local and provincial levels.

About 12 per cent of the funds are directed to socio-economic measures.

The mixing of economic and socio-economic activities within the same program complicates the evaluation and monitoring of individual projects. It may be appropriate to refocus on commercial undertakings. The support staff could become more specialized and contribute more to the development of successful undertakings than is possible within the present wider range of activities.

The agriculture program is supplementary to programs operated by DIAND such as the Saskatchewan and Manitoba Indian agriculture programs. The SARDA program provides greater flexibility which has been useful in achieving target result. The reordering of all agricultural activities under a single program would be beneficial.

While the provinces assist in staffing, the funding of the program is largely from the federal government.

ALTERNATIVES

The entire program could be delivered through provincial agencies. Agreements would be required with Alberta, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

CONCLUSION

The agreements should continue to the intended conclusion date of March 1987.

If extended beyond 1987, the program should be re-targeted on commercial undertakings. The social adjustment and primary producing activities should be combined with related programs.

PREFERRED ALTERNATIVE

Combine all DIAND and DRIE economic development programs, for natives into one program operated by DRIE.

NATIVE ECONOMIC DEVELOPMENT PROGRAM (DRIE 106)

OBJECTIVES

1. To increase and strengthen aboriginal projects, economic self reliance, and commercially successful ventures at the community level.

2. To increase, through economic and financial institutional development, management skills and economic opportunities for aboriginal peoples.

3. To increase and improve access of aboriginal people to public and private economic resources.

4. To increase public awareness of aboriginal contributions to the Canadian economy.

INTRODUCTION

Cabinet authority for the program was granted in May 1983. Treasury Board approval for a $345 million, four year program was not secured until April 12, 1984. (Legislative authority - Industrial and Regional Development Act, DRIE Act; Department - Regional and Industrial Expansion, Minister of State for Small Business)

An advisory board of 16 native, four non-native and three ex-officio (DMs of DIAND, CEIC & DRIE) members were appointed to make recommendations on the design of the program, on specific projects, and on policy matters affecting native economic development.

OUTPUTS

The board has established three task force groups to address native women and economic development, education and training and, the private sector and banking.

Through a series of workshops across the country some 300 native participants were consulted for their views on the program's structure and mandate.

To date 34 projects totalling $11.7 million have been approved. Twenty-one additional projects have been recommended and await a ministerial decision.

ASSESSEMENT

A lack of capital and equity for investment are major barriers to improving participation by native people in the larger economy.

Dramatic shortfalls in numbers of native graduates in business-related fields, and a lack of business experience generally, continue to inhibit the establishment of viable native owned and operated enterprises.

In many instances native projects or businesses are not now, nor are they likely to be viable in the forseeable future due to the size of the local market, its remote or rural nature, or the lack of readily-available technical and advisory support services (e.g. local bank managers, financial institution representatives).

DESCRIPTION

The NEDP is composed of four main program elements:

1. Strategic investments in aboriginal economic institutions through the provision of capital.
2. Community-based economic development through an assessment of human and physical resources, planning etc.
3. Special projects, (scholarships, specialized training) market research and analysis andsupport to small businesses.
4. Coordination of federal programs (access to other federal programs, coordination, and strategic application of resources).

RESOURCES ($ Million)

	83/84	**84/85**	**85/86**	**86/87**	**87/88**	**88/89**
Salaries	.3	1.7	4.3	4.6	4.8	3.3
O & M	1.5	4.3	7.8	8.6	8.6	4.2
Grants and contributions	-	15.0	110.0	130.0	55.0	-
TOTAL	1.8	21.0	122.1	143.2	68.4	7.5
PYs	10	55	111	111	111	50

From the program's inception it was determined that overhead costs would be taken out of the fund itself. However, projects are being proposed with substantial overhead built into the application.

Increases in operating expenses will be the direct result of the establishment of new offices in Vancouver and Montreal.

CONSIDERATIONS

All previous experiences in economic programming for natives strongly suggests that the creation of long-term native projects, not short-term jobs, represents the most potentially rewarding approach.

Certain native leaders view the program's criteria as a further "control gate" in accessing federal funding. Despite this view, NEDP has received a substantial number of proposals and has heightened native awareness of ways to stimulate their community economies.

Two realities of native economic development are the limited pool of knowledgeable entrepreneurs and their demands on government support at the first sign of financial difficulty. It will take some considerable time for natives with knowledge and experience to establish themselves, and to begin to relate to commercial/industrial initiatives in the broader society. As for the "safety net" syndrome, government has a responsibility to structure its programs to create business discipline and not dependency.

Funding of native economic or financial institutions is projected to consume 50 per cent of NEDP funding. The projected outcome is to create 20 to 30 local, regional or provincial level native controlled economic development institutions to operate businesses and provide some combination of financial and technical services to potential or existing native businessmen.

Community based economic development is projected to consume 25 per cent of NEDP expenditures. The concept is to provide planning support to a cross-section of 30 communities selected on the basis of population structure, location and stage of economic development. Provision is also made to capitalize the emerging plans from one source to prevent logistical difficulties in implementing the plans.

The program would be undertaken on a pilot basis and thoroughly studied to determine what could be learned for broader application.

With few exceptions, native involvement in private-sector activity has been restricted to major resource development projects occurring on or near native communities. In some cases, non-native resource developers have been reluctant participants in providing business and employment opportunities for natives affected by the project itself. The NEDP has forged an alliance with the non-native corporate sector through its support for the Canadian Council for Native Business. While it is too early to see results, this may be the first large-scale attempt to bring private sector energies and resources to bear on an area which up until now has been a responsibility assumed almost entirely by government.

A review of the advisory board membership suggests that many individuals have been selected to represent a native constituency rather than for their experience in business, background in economic analysis, or proven ability to operate a successful native enterprise.

ALTERNATIVES

Both the all-party committee report on Indian Self-Government and the NEDP task force on banking and the private sector, have promoted the notion of some form of NEDP sponsored national native financial infrastructure to "back stop" native economic development activity. Although the concept has merit, great care must be taken to select the appropriate instrument that will respond to need, be disciplined, have credibility, and have the capacity to deliver some financial products and services in place of (not at the expense of) government.

The program at present is essentially a unilateral federal initiative. Accepting that it will be important for NEDP to become involved in the primary resources sector (i.e. agriculture, mining and forestry industries), and that provincial governments have programs, expertise and a data base of their own for the development and exploitation of renewable and non-renewable resources, it follows that a coordinated effort of some kind would produce better results for the native communities.

The government may wish to add and/or replace board members with individuals who advise on major investments.

CONCLUSIONS

The lack of viable native business opportunities is evidenced by the pace at which funds have been drawn against the program since its inception.

The direct enterprise funding capacity of NEDP has provoked many small proposals characterized by insufficient equity and inadequate potential return on investment. As the NEDP was not designed to handle such proposals, their processing has consumed inordinate amounts of the fund's human and financial resources.

Support to native economic institutions is done with high risk and questionable return. Under current plans, contributions will be made both to the business ventures and to the operation of the business support services. It is unclear how these institutions can become self sufficient in a practical period when they are simultaneously trying to provide non-profit services as well as gain experience in running profitable business. There is a distinct possiblity that the result will be to create a dependency on continued government support.

There would appear to be inadequate evaluation whether or not major ventures have long-term prospects or consistency with objectives set forth in the application stage. Likewise the four-year life of the fund will inhibit its ability to monitor progress/results beyond its own mandate. There does not appear to be any provision for assessing the program's value at the end of its tenure.

The community based economic development concept is well thought out. There is a danger however in adopting an intensive community development approach in selected communities without provincial cooperation. Such a comprehensive approach will inevitably depend on the cooperation of provincial governments (even on Indian reserves) in the provisions of land access, resources, services, infrastructure, education etc. With projected spending of $85 million over three years the approach is over-resourced. With provincial involvement and a selection of fewer communities costs could be reduced.

The fund should focus on those elements of native economic activity which represent the greatest opportunity for success regardless of their patterns of concentration in any particular locales.

The fund is not at the present time applied to activities in the primary resource sectors (e.g. agriculture, fisheries and forestry industries). It is possible through the general development agreements with provincial governments, for the fund to address sectoral initiatives on an "as required" basis.

At present there is no mechanism to receive loan repayments and re-apply such monies to new projects or economic initiatives. Some method must be developed to add a "revolving" aspect to the fund's operation and to segregate loan repayments from overall government revenues.

At present the funding criteria prohibit debt-deletion as a device to launch particular ventures. In certain instances this may be justified.

PREFERRED ALTERNATIVES

If economic development initiatives are not to be overwhelmed by social considerations, the NEDP could function most effectively within (not as an adjunct to), the Department of Regional Industrial Expansion (DRIE). Therefore, implementation of the NEDP should be substantially amended. Its outstanding commitments and applications should be handled as a regular DRIE program through their regional offices, as is the case with Special ARDA. DRIE has the infrastructure and the approach to deal with applicants without political or social considerations overiding basic business practices. Further, DRIE has the capacity to deliver programming and interface with provincial efforts in this area, through a variety of established federal/provincial arrangements (e.g. Special ARDA, Economic Regional Development Agreements etc.).

A revamped NEDF advisory board for native investments with native participation, could exist within DRIE to assess large scale native projects (i.e. those requiring in excess of $250,000 in federal assistance). Regional advisory boards could vett smaller proposals through normal DRIE channels.

All loan fund operations of NEDP would best be administered by the Federal Business Development Bank.

Support to institutions (e.g. SIAP and NIACC) should be limited to viable business ventures; contributions to assist institutions to provide technical and advisory services should be terminated. These needs can be accommodated over the longer term through profits from the business ventures assisted and through the trust company recommended in the Reserves and Trusts section of this report.

Community based economic development should be pursued through federal/provincial arrangements (Special Area legislation is well designed for this purpose) and on a reduced scale.

DIAND ECONOMIC DEVELOPMENT PROGRAM (INAC 402)

OBJECTIVES

To facilitate and support Indian bands and Inuit communities in their efforts to obtain a greater degree of economic independence and develop a viable economic and employment base.

INTRODUCTION

The economic development function in DIAND has been reorganized a number of times in recent years. In its most recent form, the Main Estimates include Employment Development and Employability Development under the mantle of Economic Development. In this broader review of native programs these are dealt with under Training, Job Creation and Mobility to provide for comparability with programs of other departments. The programs reviewed in this assessment focus on those which finance or support the creation of economic enterprise.

Also with programs of an ongoing nature which are subject to repeated reorganizations, the definition of what constitutes a program begins to blur. For purposes of presentation, programs have been grouped where their objectives are common and segregated where they are not. Consequently, on the attached sub-program worksheets the Indian Economic Development Fund, Indian/Inuit Business Advisory Services and the Business Assistance Program have been aggregrated into Business Development. Conversely the Community Development Support group has been disaggregated into Institutional Support, Community Development Support Service and Renewable Resources.

DESCRIPTION

The Business Development Program provides a comprehensive range of contributions, direct loans and loan guarantees for status Indian owned enterprises. In addition technical, management and advisory services are provided by departmental staff or purchased through (ESO, consultants, etc.

Eskimo Loan Fund -- provides loan and loan guarantees to support Inuit business.

The Institutional Support Program provides financing to Indian institutions whose purpose is to increase the capacity of Indian and Inuit communities to participate in economic development.

Community Development Support Service Delivery -- makes grants to 68 bands and 16 councils in Ontario and Quebec to pay for economic planning.

The Renewable Resources Program provides contributions and technical advice to Indian people to develop or exploit renewable resource based opportunities.

RESOURCES ($ Million)

	83/84	84/85
Expenditures	39.5	34.5
PYs	138	137

OUTPUTS

In 1983/84, some 250 new and 500 existing businesses (many of them single proprietor operations) were supported through 673 contributions ($14.7 million), 315 direct loans ($5.5 million) and 75 loan guarantees ($2.7 million). Contributions ($15.2 million) supported the existence of 31 economic, resource or community development institutions and 696 projects ($2.6 million) were supported through renewable resources primarily in the form of equipment assistance to fishermen and trappers.

CONSIDERATIONS

In a department which assumes responsibility for "womb to tomb" care, pressures for social assistance take precedence over economic ones. In the past seven years, while departmental budgets have increased 113 per cent, the economic development budget has increased 14 per cent (a decline in real terms).

In the area of business contributions, there is evidence that good business practise is not followed. A recent evaluation states "there is no specified criteria for giving these guarantees and contributions to individuals; rather it is given on an ad hoc basis". Recent efforts to develop criteria still include social profitability analysis as part of program criteria.

The loan program is an essential requirement to assist economic development in areas where normal banking services are not (or are not made) available. However 2310 accounts (over 40 per cent of the current accounts) are in serious arrears.

The loan guarantee program, set up in 1970 as a $30 million revolving fund, is essentially depleted with current commitments of $3.1 million and $24 million having been written off. On the basis of the estimates available, the losses represent 20 per cent to 35 per cent of total activity generated as compared to normal provisions of financial institutions of 10 per cent for bad debt.

Established Indian economic development institutions, while touted as creating mechanisms to enhance Indian self sufficiency, appear to be dependent upon continuous government support. There are no apparent performance standards and no procedures for moving these institutions toward financial independence. The list of institutions supported is likely to continue to grow and any decisions to stop funding would be perceived as arbitrary unless they were carefully explained. There is limited evidence that many new businesses or jobs are being created.

Funding to four of the larger institutions terminates March 31, 1985 and extensions will be sought to three of these.

Neither the program objective of the renewable resource activity nor the projects supported are based on viability criteria.

ALTERNATIVES

The loans programs and the advisory services could be transferred to FBDB to take advantage of FBDB expertise in these areas, its more objective environment and its current excess capacity resulting from low levels of loan activity. FBDB capacity to deal with people in rural and remote communities would have to be expanded. If this were done, financial and technical services to Métis and Non-Status Indians would be enhanced as well.

The remaining services could be moved to a department with an economic orientation and provided to all natives; or DIAND economic development could be broadened to apply to all natives.

For those institutions seeking new funding agreements for the 1984/85 fiscal year, a two-year extension to current arrangements could be provided. Clear direction should be given that further funding will be provided on a diminishing basis and only where a practical plan is in place for attaining self sufficiency in a three to five-year period. In the case of those providing an economicservice this should occur through business acumen. In the case of those institutions which are quasi-governmental in nature, services could be purchased by the bands through the "block funding" of bands; this would have the effect of making these organizations accountable to those they are designed toserve by having the band determine if these institutions are providing value for money.

Continued support for economic development in the renewable resources sector might be necessary but should be segregated from hard line economic development. This kind of support could be combined with the primary producing activities funded under the Special ARDA program and be offered to all native people.

CONCLUSIONS

DIAND offers a comprehensive array of economic development services which are limited to Status Indians.

While economic development services to natives may require more care, nurturing and sensitivity, they should also require discipline and a focus on economic viability. In a department which assumes responsibility for womb-to-tomb care, the pressures to provide social assistance are more irresistible than the economic ones. Consequently, decision-making does not assume the economic discipline which should be essential to sound economic programming.

PREFERRED ALTERNATIVES

1. Combine the contributions to viable business development under one program available to all native people and deliver through the regional offices of DRIE.

2. Transfer the loan and loan guarantees functions to FBDB.

3. Establish procedures for ensuring that institutions either become self-sufficient or are terminated.

PROGRAM REPORT

BUSINESS DEVELOPMENT (INAC 41, 42 AND 90) (INDIAN ECONOMIC DEVELOPMENT FUND, BUSINESS ASSISTANCE PROPOSAL, INDIAN ADVISORY SERVICES)

PART I (SUMMARY)

OBJECTIVES

To assist and support Indian and Inuit individuals, bands, communities and organizations to participate and benefit as entrepreneurs in the development of their commercial, industrial and natural resources potential.

EXPECTED RESULTS

Increase in the number of Indian and Inuit owned and managed business. Increase in number of jobs and incomes. Improved management skills.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☒ LIVING ELSEWHERE (only 5 per cent of activity)

LIMITATIONS

Department cites lack of resources and person years.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	17.4	13.9	13.2	13.2	13.2
PYs	107	106	107	107	107

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☒	☐	☐
Other Results	☐	☐	☒	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☒	☐	☐	☐
Administrative/Management Constraints	☐	☐	☒	☐

PROGRAM REPORT

BUSINESS DEVELOPMENT (INAC 41, 42 AND 90)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions					
Operating Expenses					
- Salaries					
- O & M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	100 per cent
Provincial Government	
Other	

ASSESSMENT

This program provides assistance to business in the form of contributions, direct loans, loan guarantees and advisory services either provided by departmental staff or the purchased services of outside expertise.

In 1983/84, with 643 contribution offers of $14.7 million, 315 direct loans of $5.5 million and 75 loan guarantees of $2.7 million, the program supports the creation of approximately 250 new businesses and the maintenance or expansion of 500 existing enterprises. Technical advice is provided to some 1,500 projects per year. It is anticipated that the equivalent of 600 person-years of employment are created and an additional 1,150 are maintained.

The Direct Loan program, set up as a $70 million revolving fund, has experienced some difficulties over the years. Of 5,000 current accounts, 2,310 are in serious arrears. A major review of the loan program was undertaken and improved procedures for review and assessment have been established as well as an inspection function. The 2,310 loans are being reviewed with 1,373 accounts in various stages of write-off and the remaining 937 being adjusted to allow the projects to continue under revised pay back schedules. At the present time, $25.8 million of the $70-million fund is available for new loans.

The Guarantee Loan program, introduced in 1970 with a $30 million revolving fund, has now been virtually depleted through losses of $24 million and a further $3.1 million currently commmitted. During that time it is estimated that banks have approved between $75 million and $125 million in loans as a result of the program. As such, the losses then represent between 20 per cent and 35 per cent of total activity generated. Plans are underway to request $35 million to rebuild the fund and an additional $15 million for a security bonding program.

The small average size of contributions of $22,861 reflects the current program strategy of focusing on smaller projects and on single entrepreneurs. No information or evaluation is available to assess the impact of these contributions. The department estimates that due to limitations in the contribution budget only 25 per cent of need is being met. There is no substantiation that there is adequate economic opportunity on reserves or entrepreneurial skills to proceed at that pace.

PROGRAM REPORT

ESKIMO LOAN FUND (INAC NEW)

PART I (SUMMARY)

OBJECTIVES

To further the economic and social betterment of the Inuit by encouraging and assisting the planned development of Inuit-controlled business enterprises.

EXPECTED RESULTS

The development of viable, self-sustaining Inuit businesses, the generation of employment and local investment opportunity.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☐ STATUS INDIAN ☒ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☐ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

Maximum amount of any loan in the Northwest Territories is $100,000. Maximum amount of any loan in Quebec is $50,000. Treasury Board approval is required for total borrowings to exceed $250,000.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	7.0	0	0	0	0
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is need being met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

ESKIMO LOAN FUND (INAC NEW)

PART II (Supporting Detail)

AUTHORITY

Appropriations Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.
Commissioner of the Government of the Northwest Territories.

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions					
Operating Expenses					
- Salaries					
- O & M					
Capital					
Loans (authorized levels)	7.072*				
PYs					

* NWT portion is $4.922 million.
DIAND portion is $2.150 million.

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	
Other	Territorial Govt.(NWT)

ASSESSMENT

The Eskimo Loan Fund fills the gap in Inuit communities where normal commercial lending facilities are not available.

Projects must be viable and on the basis of detailed projections, be in a position to repay both principal and interest within a pre-arranged repayment schedule.

The fund is "revolving" in nature to ensure its perpetuation.

The fund is divided into operations in the Northwest Territories and Arctic Quebec. Inuit equity or interest in any application or proposal must equal 75 per cent of the total value of the ownership/ sponsorship.

No consolidation of debt for loan repayment, non-profit activity, housing activity, or personal use items are eligible for loans from this fund.

PROGRAM REPORT

INSTITUTIONAL SUPPORT (INAC 304, 94, 95 AND 11)

PART I (SUMMARY)

OBJECTIVES

To support economic development through the use of Indian-managed economic institutions.

EXPECTED RESULTS

To enable 23 new institutions to become established and to continue support to 31 existing institutions.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☐ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

Funding for the following programs terminates March 31, 1985:

Saskatchewan Indian Agriculture Program (SIAP);
Manitoba Indian Agricultural Program (MIAP);
Northern Native Fishing Corporation (NNFC);
National Indian Arts and Crafts Corporation (NIACC).

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	12.2	17.7	14.3	14.3	14.3
PYs	17.0	19.0	19.0	19.0	19.0

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☐	☐	☒	☐
Objective Measurable	☐	☐	☒	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☒	☐	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /overlaps	☒	☐	☐	☐
Administrative/Management Constraints	☒	☐	☐	☐

PROGRAM REPORT

INSTITUTIONAL SUPPORT (INAC 304, 94, 95 AND 11)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	15.2	16.9	13.9	13.9	13.9
Operating Expenses					
- Salaries	.6	.6	.6	.6	.6
- O & M	.2	.2	.2	.2	.2
Capital					
Loans (authorized levels)					
PYs	12.3	17.0	15.0	15.0	14.0

DELIVERY BY

Native Local Authorities	95 per cent
Department	5 per cent
Provincial Government	
Other	

REMARKS

This program embraces a group of activities which increase the capacity of Indian and Inuit communities to participate in economic development.

A portion of the program is directed toward the agriculture sector. Institutions have been established to assist Indian people develop farms by providing agrologists, grants and loans and by training farmers. One of the institutions is the Saskatchewan Indian Agricultural Program (SIAP). It is operating under a five-year agreement which terminates on March 3, 1985. A July 1982 evaluation of the program is summarized as follows:

- Total funding $11.2 million.
- Controlled by a board of Indian and government representatives.
- Staffed by agriculture extension employees from the Saskatchewan Department of Agriculture.
- By April 1982, SIAP had assisted 464 Indian farms to increase income. Most farms are marginal and much less productive than non-Indian farms.
- Development and productivity are restricted because of lack of tenure.
- Evaluation indicates the program is not achieving its objectives.

A similar program operates in Manitoba (MIAP). The April 1983 evaluation is summarized as follows:

- Total funding $13.5 million.
- Controlled by a board of Indian farmers and government representatives.
- About 30 per cent of the farms are viable.
- The evaluation (April 1983) indicates that it takes a long time to develop management and technical skills required to operate a viable farm.
- About 7,000 acres of cropland and 9,000 acres of hay and pasture have been developed by MIAP.
- MIAP has approved over 450 loans, approximately half of which are past due.

Agriculture institutions have been operating in Alberta and British Columbia since 1979. They receive financial support through the program.

Native craftsmen receive $3.4 million through NIACC to fund 13 regional arts and crafts associations. The sales through the outlets and the number of supplying craftsmen are increasing. About one-third of the outlets are economically viable. The program terminates March 31, 1985.

Several organizations have been established to develop strategies for economic programs and, in some instances, to invest in enterprises which increase the direct participation of natives in providing local services through small businesses.

Some development corporations established with the support of the program have invested in enterprises active in resource exploitation.

Evaluations indicate that sectoral projects and economic development corporations have had start-up and operational problems. Once start-up problems were overcome, several successful projects were established.

Two-thirds of the program (SIAP, MIAP, NNFC, NIACC) are covered by separate Treasury Board authorities, which expire on March 31, 1985.

The objectives for the remaining one-third of the program are very broad and there is very little hard evidence that many businesses or jobs are being established as a consequence of this program.

There does not appear to be a requirement for performance review built into these programs.

PROGRAM REPORT

COMMUNITY DEVELOPMENT SUPPORT SERVICES DELIVERY (INAC 305) - SUB-PROGRAM

PART I (SUMMARY)

OBJECTIVES

Sub-program of INAC 304 (Institutional Support).

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☐ INUIT
	☐ METIS/NON-STATUS	☐ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.9	.9	.9	.9	.9
PYs					

ANALYSIS	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☐	☐	☒	☐
Objective Measurable	☐	☐	☒	☐
Achieving Expected Results	☐	☐	☒	☐
Is need being met	☐	☐	☒	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☒	☐	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

COMMUNITY DEVELOPMENT SUPPORT SERVICES DELIVERY (INAC 305) - SUB-PROGRAM

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions					
Operating Expenses					
- Salaries	.9	.9			
- O & M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	100 per cent
Department	
Provincial Government	
Other	

REMARKS

This program provides the funding for 36 band staff in Ontario, and representatives from 16 councils and 32 bands in Quebec, working in the field of economic planning.

PROGRAM REPORT

RENEWABLE RESOURCES (INAC NEW)

PART I (SUMMARY)

OBJECTIVES

To provide contributions and technical advice to Indian people to develop or exploit economic opportunities in fish, wild fur, wild rice, forestry, mariculture, tourism and outfitting.

EXPECTED RESULTS

Increased involvement of Indian people in resource utilization in areas on or adjacent to reserves.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

Department cites lack of resources and person-years.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	2.0	2.0	2.0	2.0	2.0
PYs	14	12	12	12	12

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☐	☒	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☐	☒	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☐	☒	☐

PROGRAM REPORT

RENEWABLE RESOURCES (INAC NEW)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

RESOURCE PROFILE ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	1855	1908			
Operating Expenses					
- Salaries	731	403			
- O & M	31	125			
Capital					
Loans (authorized levels)					
PYs	14	12			

DELIVERY BY

Native Local Authorities	
Department	100 per cent
Provincial Government	
Other	

ASSESSMENT

This is a discreet activity for line management purposes but it should be noted that an additional $10.0 million is provided for resource development under institutional support.

Neither the program objective nor projects supported are based on viability criteria. In fishing and trapping, assistance is primarily in the forms of nets, traps and related equipment. In forestry, some small logging, firewood and sawmill activities are supported; reforestation and fire protection are coordinated using employment programs such as NEED, Canada Works and Environment 2000.

Program resources are small and are reflected in the small average project size of $3,735. Perhaps as an adjustment to scarce resources, the program operates almost exclusively in Alberta, Ontario and Quebec where similar support under the Special ARDA program is not available. DIAND indicates lack of funding and person-years is a constraint but there is no clear indication of viable resource developments being hindered by a lack of funding.

The type of supports provided assist in maintaining a traditional lifestyle and a certain capacity for earning income-in-kind from the land. Caution is required to ensure that a dependency on recurring support is not created.

If it is determined that such programs should continue, they should be combined with the support to primary producing activities of the Special ARDA program and offered to all native people.

Where viable renewable resource developments are identified they should be supported under business development programs where viability criteria are better defined.

CATEGORY REVIEW

TRAINING AND SHORT-TERM JOB CREATION

PROGRAMS

There are 16 programs in this category which are specific to native people or which provide a significant service to native people from which estimated expenditures can be derived. In total, these programs represent an estimated $163.8 million in expenditures directed toward native people and an estimated 199 person-years for 1984/85*.

AUTHORITY

The National Training Act and Appropriation Acts.

DESCRIPTION

Indian/Inuit Employability Programs -- This DIAND training program is targeted exclusively at status Indians and Inuit and provides occupational skills training, on-the-job training and mobility assistance ($9.8 million, 18 person-years).

Indian/Inuit Employment Program -- This DIAND employment program is targeted exclusively at status Indians and Inuit and provides assistance to long-term employment projects which require subsidy and to short-term employment projects often in conjunction with capital projects. This program combines DIAND funds with CEIC funds transferred from Job Corps and Summer Canada ($28.4 million, 29 person-years).

Training and Employment Northern -- This DIAND program operated by Northern Affairs is an on-the-job training program for native northerners ($1.0 million and eight person-years).

---

* There are slight variations in the format of the program assessments in this category to accommodate comparability with the work of the Study Team on Job Creation and Training Programs. The programs reviewed by that study team are so noted, immediately under the title heading. Expenditures for natives and native specific comments have been added in bold print. It should also be noted that in many cases the expenditures used are based on CEIC's 1983/84 estimates of native programs content which have been pro-rated to their 1984/85 program expenditures.

Outreach Program -- This CEIC program is designed to enhance Canada Employment Centre services to designated target groups through the use of field workers (estimated expenditures for native services are $5.6 million and 8.5 pro-rated person-years).

Youth Training Option -- This CEIC program introduced in December 1984 combines theoretical and on-the-job training to provide essential job skills and competence and is targeted to youth 17 to 21 years old, with a native target of 4 per cent (pro-rated expenditures are $0.4 million and 1.8 pro-rated person-years).

Native Internship Program -- This CEIC program provides summer jobs for native students in CEIC offices ($2.3 million and no person-years).

Institutional Training -- This non-targeted CEIC program provides occupational skills training (estimated expenditures for native people are $45.0 million and 22.4 pro-rated person-years).

Industrial Training -- This CEIC program provides for general industrial on-the-job training and for training in critical skills. Reimbursement rates to employers are higher for special needs groups than for the general population (estimated expenditures for natives are $15.1 million and 7 pro-rated person-years).

Skills Growth Fund -- This CEIC program, now terminated, provided for capital and course development cost to expand institutional skills training capacity in designated occupations or for adults with special needs (estimated expenditures for natives are $16.3 million and no person-years).

Career Access -- This CEIC employment program provides wage subsidies to employers for placement of persons facing severe employment barriers (estimated expenditures for natives are $10.5 million and 19 pro-rated person-years).

Options North -- This CEIC employment program, specific to the Northwest Territories, provides special support in the form of life skills and family counselling, alcohol and drug awareness and industrial orientation programs to assist individuals to adjust to wage employment (1984/85 expenditures are $0.6 million and one person-year).

Affirmative Action Program -- This CEIC employment program promotes affirmative action measures in public and private sectors through information training and technical advice (attributed expenditures for the native component are $0.5 million and 9.7 person-years).

Local Employment Assistance and Development (LEAD) -- This CEIC employment program provides contributions to private sector firms to create jobs in areas of chronically high unemployment (estimated expenditures for native projects are $20 million and 37 pro-rated person-years). Note: Under further review by the Job Creation and Training study team.

Canada Works -- This CEIC employment program provides labour funds for short-term make-work projects designed to alleviate cyclical unemployment (estimated expenditures for native projects are $2.7 million and 6.5 pro-rated person-years).

Northern Careers Program -- This Public Service Commission program provides training and career development opportunities for native northerners in public service positions identified for training purposes (expenditures are $2.8 million and 16 person-years).

National Indigenous Development Program -- This Public Service Commission program is designed to improve the representation of indigenous people at middle and senior levels in the public service (expenditures are $2.8 million and 10 person-years).

BACKGROUND

CEIC has the statutory mandate for training and employment (job creation) programs. While CEIC has been protective of this mandate, it has also insisted on using national, universal programs. Since the late 1960s, and in recognition by other parties that the CEIC approach was not working well for certain regions or client groups, other mechanisms have supplemented CEIC programming.

Comprehensive agreements, beginning with the Canada-Manitoba FRED (Fund for Rural Economic Development) Interlake Agreement, identified inadequate training as a hindrance to economic development and labour force adjustment. Training, work experience projects and employment projects developed under this agreement were moderately successful. However, their effectiveness was limited wherever they relied on complementary CEIC programming whose delivery was sufficiently inflexible to accommodate these initiatives. Subsequent comprehensive agreements have pursued the educational aspects of training within provincial mandates and have attempted, with limited success, to coordinate CEIC programs by having them included in agreements.

A second avenue which emerged in 1968 as an attempt to sensitize the CEIC programs was "A Program of Financial Assistance with respect to Training, Mobility and Re-establishment of Indian and Eskimo Residents of Canada" delivered by DIAND. These services were authorized as complementary and supplementary services to meet the extra and special needs of Indian and Inuit adults. Through a series of subsequent agreements, the DIAND response to Indian and Inuit training needs has been adjusted each time CEIC's national policies have changed. Today, DIAND's "special" efforts account for 23.3 per cent of total expenditures in this category.

In the mid-1970s, CEIC began to focus its national programs by introducing the concept of targeting. Native people have been a target group in virtually all programs which have been subject to targeting. The concept is a method of trying to ensure that some pre-determined portion of a program is available to a selected group; it does not attempt to modify program design to make it more accessible to that group.

To address employment issues, CEIC first introduced short-term counter-cyclical job creation programs in the late 1960s, and early 1970s. These have continued through a series of names (LIP, NEED, Canada Works) and minor program modifications. To address long-term employment, the concept of community employment strategies was introduced through a number of programs, most notably through LEAP in the late 1970s and early 1980s, and currently through LEAD.

COMMENTS

The level of participation by native people in the Canadian economy lags significantly behind that of Canadians in general. The percentage of the Indian working-age population which is employed is 25 per cent nationally (and as low as 10 per cent in Saskatchewan), compared to 57 per cent for Canada as a whole. In native communities, this is generally a result of limited job opportunities. The resulting migrations to cities do not resolve the situation. Native access to employment is hindered, inter alia, by lack of skills or training.

Training and employment programs are vital to enhancing the self-sufficiency and economic well-being of native people.

Of the 16 training and employment programs, only five programs representing 5.8 per cent of expenditures were designed specifically for natives or for a geographic region in which natives predominate. Programs in which native people are a target group, but which have not been designed to specifically address native circumstances, account for a further five programs and 33 per cent of expenditures. The remaining six are national non-targeted programs where native people are known to be significant users and for which CEIC provided estimated expenditures to the study team. Significantly, these programs represent 61 per cent of training and job creation expenditures attributed to native people.

Of the programs in this category, 73.3 per cent are delivered by CEIC, 23.3 per cent by DIAND and the remaining 3.4 per cent by the Public Service Commission.

Natives are significant users of the major CEIC programs. For example $45 million (5.0 per cent) of CEIC's Institutional Training and $15.1 million (9.8 per cent) of their Industrial Training is directed at native people. This is supplemented by an additional $9.0 million from DIAND for training programs which are essentially the same but which have more flexible eligibility criteria.

In 1982/83, CEIC had over 7,300 Indian and Inuit trainees in institutional training. No figures are available on the number of applicants and therefore the number of refusals, although it is known that an additional 4,321 Indians and Inuit were supported through the complementary DIAND program. Reasons for refusal include the educational upgrading requirements being greater than CEIC criteria permit and the course requested not being a CEIC priority.

The existence of the DIAND programs to fill the gaps identified above and the recent proposals to establish an inter-departmental steering group for native training, are clear indications that the CEIC programs are not flexible enough to address native needs in a comprehensive way. While national programs may be used by large numbers of natives, it is unclear how many are denied access or how many are unsuccessful in completing training.

CEIC has recently made a number of adjustments to address some of these problems. Most of these adjustments involve a realignment of targets using existing delivery mechanisms. In some cases, criteria have been adjusted to provide a greater incentive for native participation (e.g. under the General Industrial Training program, up to 100 per cent of trainee wages can be paid, curiously enough, when the training is provided by a native organization). More sensible criteria adjustments appear to be the extension of training wage subsidies to non-federal public sector jobs in targeted areas such as the unemployed in the area covered under the Canada-Saskatchewan Northlands Agreement.

Unfortunately, these adjustments are accompanied by other changes in criteria which focus most of their program resources on occupations which are in high demand. While this is suitable to the mainstream economy, it reinforces the insensitivity of national programs to regional or client group circumstances of extreme disparity.

The supplementary DIAND services have been sufficiently flexible to assist Indian and Inuit people to access training programs to which they might not otherwise have access. There are two problems with this approach. Firstly, in the effort to make the program more accessible, there is reason to believe there may be a lack of attention by DIAND to ensuring the training provided can be linked to real job opportunity upon completion. It is notable that DIAND literature cites the unwillingness to provide training to individuals who are unable to move for training or to take work after training as an indication of CEIC inflexibility. In addition, DIAND initiatives are limited to status Indian and Inuit and ignore the needs of Metis and non-status Indians.

Two DIAND programs have significant overlap with the Public Service Commission (PSC) programs. The Northern Careers Program of PSC is a long-standing, well-structured program to encourage on-the-job training for all native people at all levels of the public service North of 60. The Northern Affairs Program offers a similar program but which is also available for private sector (30 per cent) on-the-job training; the latter portion overlaps with CEIC's General Industrial Training but offers a more intensive level of service in terms of placement, counselling, course design, etc.

The National Indigenous Development Program of PSC is targeted at improving the levels of participation of native people in management entry and management level positions. DIAND, through its use of on-the-job training funds, provides support to encourage greater participation of Indians and Inuit at all levels of the public service. The DIAND program is not available to Metis and non-status Indians.

FINDINGS

The long list of government programs directed at training and job creation have not made significant strides in overcoming native unemployment.

In many native communities, training programs and make work projects have become a routine part of the community economy. Allowances paid during training or through employment programs are sufficiently high in native communities that they can out-compete most legitimate economic initiatives.

Training for training's sake, with no expectation or opportunity to use these skills in a job, appears to have become the norm rather than the exception. Employment programs designed on a national basis to address short-term cyclical unemployment become impediments to economic development efforts when applied to communities where unemployment is systemic rather than cyclical.

The result is an artificial economy based on continued government subsidy and one in which the participants have increasing difficulty distinguishing between productive and non-productive employment activity.

CEIC national programs are not sufficiently flexible to meet local and regional native needs. DIAND's involvement in training and employment programs is in response to this fact and to the critical need of natives for special services.

The Native Internship Program is the only CEIC program which is specific to native people. Similarly, there are only two instances identified by the study team in which programs have been designed to meet the needs of a particular region.

There is overlap between Indian Affairs and Northern Development's Employment and Training Program (federal public service aspect) and the Northern Careers program of the Public Service Commission. Federal public service training should be consolidated in the PSC. The potential for a broader application of the Northern Careers Program to the entire public service should be examined. The practicality of applying these same methods to the private sector should be reviewed.

At present, CEIC training and employment programs for native people are essentially national programs designed for all Canadians. In isolated instances, eligibility requirements are adjusted to be more relevant to native circumstances, but the program-design elements are not adjusted to meet native needs. There is evidence that the current method of tinkering with national programs and expecting them to be effective for natives is not working.

The overlap of CEIC and DIAND programs creates a confusing situation for the client. Theoretically, DIAND's training program is designed to be a point of last resort. Consequently, CEIC is the point of first contact. A person ineligible for the CEIC program is then referred to DIAND.

DIAND's administration of training for Indians indicates an absence of a general labour market planning context and access and mobility to the general labour market for Indian people trained or employed under DIAND programs.

There are a number of alternatives to reducing the DIAND/CEIC overlap:

1. DIAND could administer all programs for status Indians and leave the provinces and CEIC to deal with Metis and non-status issues. This has the effect of ghettoizing Indians to DIAND and of creating two types of service, one for Indians and one for Metis).

2. Make no special provisions for natives in any federal training programs (the existence of current DIAND programs are a recognition by both DIAND and CEIC that there are significant problems in making national CEIC programs relevant to native needs); or

3. CEIC could administer all programs, but improved and sensitized to native needs.

In the case of employment programs, the DIAND/CEIC arrangement has some merit. Firstly, client confusion has been reduced by having CEIC funds transferred to DIAND and administered there directly. Secondly, DIAND, through its other roles in community development, is in a better position to ensure that employment monies are well spent (even in the case of short-term job creation).

To improve the effectiveness of programs, two steps are required: a) apply existing financial and person year allocations for national programs to re-designed programs specific to native and regional needs; and b) develop a smaller scale, more sensitized delivery mechanism with more decentralized decision-making capacity.

To achieve this, and in recognition of the fact that CEIC's regional capacity to design and implement "custom" programs is weak, two alternatives are possible: a) sharply enhance the regional capacity of CEIC, or b) enter into federal-provincial arrangements which combine the educational and program delivery capacities of provinces with the broader labour market capacity of CEIC.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

1. That the funding of CEIC national programs be reduced and these savings be used to finance programs designed to accomodate regional and special needs of native people.

2. That, to achieve the above, CEIC's program design and decision-making capacities be decentralized.

3. That over the longer-term, DIAND's occupational skills training, private sector on-the-job training and mobility programs be transferred to CEIC to enable CEIC to become the principal federal agency responsible for training programs. In the short-term, however, these programs should stay in DIAND until CEIC develops a demonstrated capacity to develop sensitized programs off-reserve.

4. That employment programs should have a greater emphasis on long-term employment.

5. That, to achieve the above, these programs should have an integrated training component, where applicable, and should be delivered through federal-provincial arrangements to ensure longer-term funding and to take advantage of provincial strengths in these areas.

6. That a small DIAND employment program be retained and integrated into the federal-provincial arrangements above to ensure longer-term funding and to be applied to community development projects on reserve.

7. That the public service aspects of the Northern Affairs Training Program, the public sector portion of General Industrial Training (delivered by DIAND Employability Program) and the two PSC programs be consolidated and administered by the PSC and a new program of broader application (i.e. entry level as well as management level) be considered.

INDIAN/INUIT EMPLOYABILITY DEVELOPMENT PROGRAMS
(INAC 54, 55, 56 AND 57)

OBJECTIVES

Native Employability Development Programs are composed of three major components with objectives as follows:

1. Occupational Skills Training - to provide for or financially assist Indians and Inuit adults to obtain academic and vocational training.
2. On-the-job training to assist Indian and Inuit workers in obtaining work skills and/or experience on the job by entering into training contracts with employers in public and private sectors.
3. Mobility - to provide grants to individuals to allow for permanent or seasonal job placement at new locations that offer employment or to undertake training.

AUTHORITY

National Training Act; Indian Act; James Bay Agreement, sections 2.12 and 29.02.

DESCRIPTION

Skill training, on-the-job training and mobility programs are delivered by DIAND but mirror the Institutional Training, General Industrial Training and Mobility programs of CEIC in terms of program design, allowances and administrative arrangements. Eligibility criteria are modified. Requests from Indians and Inuit are directed first to CEIC; those ineligible for CEIC support are forwarded to DIAND. DIAND's eligibility criteria are less restrictive in terms of age, time out of school, types of courses, types of jobs and training, eligibility for on-the-job training and mobility assistance.

In addition, DIAND continues to provide up to 52 weeks of academic upgrading and basic literacy training -- an element which has been phased out for the broader Canadian population.

Overall in 1983/84, 4,321 persons were assisted under the Employability Development Programs at a cost of $8.3 million in financial assistance. Of this total 67 per cent were assisted in Occupational Skills Training with an estimated one-third of these receiving academic upgrading and the remainder receiving skills training. Average cost per client is only $2,048. On-the-job training assisted 15.5 per cent of clients but represented 25.5 per cent of expenditures and therefore a higher cost per client of $3,153. Mobility assistance accounts for the remaining 16.8 per cent of clients but only 2.0 per cent of program expenditures for an average of $222 per client. The regional distribution of programming (see table 1) is a reasonable reflection of the distribution and circumstances of the client group.

TABLE 1

NATIVE EMPLOYABILITY PROGRAM
83/84 DISTRIBUTION OF EXPENDITURES BY REGION
(per cent)

Region	**Expenditures**
Atlantic	3.0
Quebec	4.0
Ontario	16.9
Prairie/NWT	51.6
B.C./Yukon	21.9
Headquarters	2.5

BENEFICIARIES

These programs are targeted exclusively at status Indian and Inuit people who are unemployed or underemployed and who are likely to derive continuing benefit from the training or work experience. No more precise targeting exists.

On-the-job training is contracted with any Canadian employer including the public sector (the federal government is excluded as an eligible employer in the CEIC Industrial Training programs).

EXPENDITURES ($ Million)

	83/84	**84/85**	**85/86**
TOTAL	13.5	9.8	9.5
PYs	18	18	18

ASSESSMENT

The eligibility criteria for these programs leave them less focused than their counterpart CEIC programs. This lack of focus may well be justified by the circumstances of the client group where 27.3 per cent of the adult population have not achieved a grade 8 education compared to only 11.6 per cent of the general population and where only 25 per cent of the adult population are employed compared to a national figure of 57 per cent. The need for employability development has been well documented. However, evaluation information is not available to determine the impact or effectiveness of the programs provided on recipients' future employment. For example, the cost per client of only $2,048 in academic upgrading and skills development could indicate either a high dropout rate or a large number of very short courses which have questionable long-term impact.

CEIC programs are national in scope and do not deal with specific needs of native people. DIAND has filled this gap by adapting CEIC program eligibility criteria to the particular circumstances of native people. It is not clear whether client service is improved by having two federal departments (CEIC and DIAND) providing training and mobility programs to Status Indians and Inuit.

ALTERNATIVES

Requests can be expected for more resources to meet the needs which have been documented. Further work is required in identifying program approaches that can succeed and in substantiating the effectiveness of current approaches.

The advantages/disadvantages of concentrating delivery in one department should be explored in greater depth.

INDIAN/INUIT EMPLOYMENT DEVELOPMENT

OBJECTIVES

To increase employment in Indian and Inuit communities and to improve the employment experience of the labour force.

AUTHORITY

Indian Act.

DESCRIPTION

In the interests of long-term employment, funding is directed to communities (where conventional opportunities do not exist through the support of economic activities which are expected to yield marginal returns) which can better utilize the available human and resource base and serve as catalysts for further economic development and for the development of portable skills.

In addition, in 1984/85 DIAND is administering three short-term job creation programs with funds transferred from CEIC. These are:

1. Native Employment & Economic Development (NEED): $3 million.
2. INAC Employment Initiative Program (similar to NEED): $7.5 million
3. Indian Summer Canada Program: $8.0 million.

These programs are administered under identical terms, conditions and regulations to similar CEIC programs. They expire in March 1985.

ELIGIBILITY

Limited to status Indians on reserves and Inuit. With the exception of the youth program, priority is given to social assistance recipients and those who have exhausted unemployment insurance benefits.

EXPENDITURES ($ Million)

		83/84	84/85	85/86
Expenditures	- Short-term	18.5	18.5	--
	- Long-term	11.2	9.9	9.6
TOTAL		29.7	28.4	9.6
PYs		29	29	29

ASSESSMENT

Long-term employment - Given the limited opportunity for profitable economic opportunity in many of the communities where native people live, this type of program is a necessary part of the economic development spectrum.

Short-term creation - Output indicators are very similar to CEIC programs but these are basically determined by program design. Make-work programs have become part of the support dependency syndrome in native communities as in many other communities of Canada.

In theory, national short-term job creation programs are designed and timed to be counter-cyclical. This type of program is inappropriate in most native communities where unemployment is systemic not cyclical. There have been many occasions where in fact these programs have been disincentives to real but marginal economic activity. Also, in communities with limited available capital, these programs which are entirely labour intensive often have no more impact than a transfer payment.

ALTERNATIVES

In native communities, special employment projects which match employment opportunities to capital projects would be more appropriate than the broad application of national programs.

TRAINING AND EMPLOYMENT NORTHERN

OBJECTIVES

To provide training opportunities to prepare native northerners for employment.

AUTHORITY

Appropriation Act.

ELIGIBILITY

Trainees must be native (Inuit, Indian, Metis) northerners (born North of 60 or northern resident for one year) with few occupational skills and not previously on the program. Grade 10 is necessary for training within the federal government. Trainees should be between 18 and 25 years old.

DESCRIPTION

The trainee is not an employee and is paid an allowance (usually 60 to 65 per cent of starting salary for the position). A training agreement between the trainer and trainee formalizes roles and responsibilities.

There are 75 positions allocated to the program. Thirty of these are administered in the Yukon and NWT Regions by DIAND and 15 by Makivik Corporation in Northern Quebec. DIAND is in the process of transferring the Makivik portion directly to the Corporation.

The average length of training is four to five months. Seventy-six per cent of all training is within the federal government and 65 per cent of federal training positions are in the Administrative Support Category.

Where positions are in the private sector, the training agency reimburses the trainee directly and then invoices DIAND (to ensure coverage under Workmen's Compensation Plan).

RESOURCES ($ Million)

	83/84	84/85	85/86
Salaries/Wages	.3	.3	.3
Other O&M	.7	.7	.7
Grants & (Contributions)	-	-	-
TOTAL	1.0	1.0	1.0
UI Funds associated with Program	-	-	-
PYs	8	8	8

The change in program activity is associated with the difference between actual and estimated expenditure.

ASSESSMENT

Validity of Program Objectives

This remains the only federal program to exclusively train under-skilled northern native people for entry level positions with the federal service in the Yukon and NWT. The PSC also provides training for northern natives who meet entry-level public service criteria. In the case of CEIC, programs are national in scope and do not deal with the specific needs of northern native people.

Achievement of Program Objectives

Ninety-seven per cent of program graduates are successful in gaining enployment within six months of completing training. However, this is offset by the high number of dropouts. When the placement rate takes into account those who also did not complete the program, for various reasons, the overall success rate drops to 42 per cent. The long-term success of the program has not been determined as follow-up data beyond six months of employment is not available.

Impact on Beneficiaries

Beneficiaries receive a personalized training program from potential employers which meets both the needs of the employer and the special needs of the trainee.

When training is completed, the placement rate is high. At an average training cost to the federal government of $18,255 per graduate for four to five months of training (cost includes cost of trainees who did not complete the program), the federal government benefits by adding approximately 36 employees to the northern economy each year.

ALTERNATIVES

1. While overlap occurs with CEIC and the PSC'S Northern Careers Program, a personalized training service could be offered through DIAND for native individuals with previously marginal employment skills.

2. It would appear that program efficiency could be improved by 25 to 30 per cent through improved pre-screening practices.

3. The program could be transferred to the PSC for federal and territorial trainees, and to CEIC for private sector trainees, thus effectively terminating the program.

4. Consolidate the program with PSC programs; transfer private sector training to CEIC.

OUTREACH
(Prepared by Job Creation and Training Study Team)

OBJECTIVES

To complement regular Canada Employment Centre services by extending them, through contracts for service with community-based organizations, to those members of designated target groups who have severe difficulty competing in the labour market and are unable to be served adequately by their CEC.

AUTHORITY

Unemployment Insurance Act.

DESCRIPTION

This program is administered by Canada Employment and Immigration (CEIC). At CEIC's direction, Supply and Services Canada contracts with community-based organizations to manage Outreach Projects. There are presently 279 Outreach Projects that collectively employ 764 project workers (usually members of the client group they serve). Over 900 communities or institutions are provided with Outreach service through regular or part-time offices and itinerant visits.

Outreach provides: intensive individual and group counselling; group advocacy and individual client marketing with local employers; referrals to Canada Employment Centres and other co-operating community agencies; client referrals to training and other programs and services to enable clients to obtain counselling to support and reinforce client progress.

BENEFICIARIES

In 1983/84, Outreach projects registered 192,967 clients of whom 68,422 were placed. The program is focused on workers who are extremely disadvantaged in the labour market and for whom special assistance is necessary. The program's target clientele groups are employment-disadvantaged women, youth, natives, disabled persons, offenders and ex-offenders, refugees and immigrants, displaced workers, drug/alcohol dependents and residents of isolated communities.

EXPENDITURES ($000)

	83/84*	84/85*	85/86
Salaries	1,034	1,284	1,285
Other O&M	77	21,267*	23,211*
Capital	-	-	-
Grants & Contributions	18,572	-	-
TOTAL	19,683	22,551	24,496
PYs	29.5	34	31

* In 84/85, the Outreach program was converted from a contribution arrangement to O&M recoverable from the U.I. Account with estimated U.I. funds being $21.2 million and $23.2 million for 84/85 and 85/86 respectively.

ASSESSMENT

Outreach is designed to provide CEC type service to clients deemed as labour market disadvantaged or for whom regular CEC service is seen as inappropriate for assisting the intended target group clientele. It overlaps with regular CEC service and particularly Specialized Youth Units (SYU) and Women's Employment Counselling Centres (WECC). Outreach also duplicates youth counselling services as provided by provincial governments and some of the activities undertaken by social service community agencies. This apparent duplication is mitigated by a greater demand for service by this clientele than can be met by all existing services combined.

A preliminary evaluation of Outreach in 1977 found no significant change in the employability of Outreach served clientele. In addition, it was noted that two of every three people served by Outreach had had previous CEC contact with 50 per cent of them having visited a CEC one month before Outreach contact. This evaluation was not completed.

The Outreach service has a higher cost, with the 1983/84 average cost per placement being $288 compared to $174 for regular CEC service. Part of this difference can be explained by the greater counselling needs of Outreach clientele and the costs related to service in isolated areas.

Outreach projects have high visibility with their target clientele. There is a continuing demand for new Outreach projects and for extensions to existing ones on the part of special interest groups representing the target clientele. Attempts to reduce funding or terminate projects have in the past generated considerable lobbying, as Outreach funds represent an important source of revenue for the organizations funded. Organizations representing this target clientele consistently make representations concerning the inability of the regular CEC system to understand and meet their particular needs.

Should the improvements in the regular CEC placement and counselling services proposed by the study team take place (see separate briefing notes on Employment Services - Job Placement and Employment Services - Counselling), particularly as relates to the targeting of service to clients in greatest need, it is possible that the level of expenditure on Outreach projects could be reduced.

ALTERNATIVES

Review Outreach Program

The study team is concerned about the lack of available data on the impact of the Outreach program on the employability of its clients. Accordingly, we suggest that an in-depth review of the Outreach program be undertaken.

RESOURCES (Native Programming)

Estimated	**83/84**	**84/85**	**85/86**
($ Million)	4.9	5.6	6.1
PYs		8.5	

COMMENTS

This program is important in extending the services of CECs to often rural and/or remote areas where native people live. No comment can be made, however, on the effectiveness of the program delivery in improving the availability of information regarding employment options available to residents of these communities. Consequently, the native programming study team supports the concept of an in-depth review with the purpose of either confirming or improving the effectiveness of the program.

YOUTH TRAINING OPTION
(Prepared by Job Creation and Training Study Team)

OBJECTIVES

To provide Canadian youth between the ages of 17 and 21 years with an opportunity to acquire the labour market induction training and work experience which will make them more attractive to potential employers and at the same time, give them specific skills which will enhance their ability to compete for particular jobs.

AUTHORITY

Cabinet Decision - October 1984.

DESCRIPTION

Youth Training Option (YTO) is a pilot program introduced in December 1984 to help Canadian youth who have not graduated from a post-secondary institution. It combines theoretical (maximum 13 weeks) and on-the-job training to provide essential job skills and competence. Training programs last between nine and 12 months and participants receive either an allowance or, if they are eligible, unemployment insurance benefits, whichever is higher. They may also be eligible for supplementary allowances for travel, etc. Program delivery is decentralized to private sector managing coordinators.

BENEFICIARIES

Unemployed youth in the 17 to 21 age category, out of school at least three months and up to 24 months, and who have not worked full-time for 26 consecutive weeks during the previous 52 weeks. Target participation rates have been established for women (45 per cent), natives (4 per cent), and the disabled 0.3 per cent).

EXPENDITURES ($ Million)

	84/85	85/86
Program Expenditures	9.7	15.3
U.I. Funds	0.7	1.3
TOTAL	10.4	16.6
PYs	47	44

ASSESSMENT

Given the high incidence of youth unemployment, the study team acknowledges the need for some measures to assist members of the youth group. However, a number of issues appear to be related to the validity of the YTO approach. It clearly is compensating in part for weaknesses in provincial school systems and it can be questioned as to whether these provincial systems will adapt to the extent needed so long as other measures are there.

YTO is one of several federal youth employment programs. Federal programs within CEIC which are directed at unemployed youth include Career Access, Job Corps, Summer Canada and Institutional Training (approximately 45 per cent of trainees are youth). In addition, other federal programs directed at youth but delivered through other federal departments include National Defence's Youth Training and Employment Program and Secretary of State's Katimavik.

In the case of some provinces, there is an important issue of federal/provincial overlap relating to this program. Quebec, Ontario, Manitoba, Saskatchewan and Alberta each have a number of programs targeted towards unemployed youth.

The program is new and therefore CEIC has not undertaken an assessment of program performance.

Termination of the program would not have a major direct impact on beneficiaries because the program is new and only a small number of youth are involved. However, we note that the experimental design of the program contains a number of innovative features including direct linkage of on-the-job and theoretical training and a decentralized program delivery approach involving the private sector. These features would be lost if the program were terminated before completion of the experiment.

ALTERNATIVES

Maintain the program.

Under this option, the program would be maintained for the balance of the experimental period. Beneficial features of the program could be incorporated into other programs.

RESOURCES (Native Programming)

	83/84	84/85	85/86
($ Million)	0	.4	.7
PYs		1.8	

COMMENTS

The concept of integrating on-the-job and theoretical training is particularly relevant to native circumstances and is a principle which has potential for broader application. Given the youthfulness of the native population and the high incidence of natives without post-secondary education, the 4 per cent target for natives would appear inordinately low unless there are other barriers to native participation which have been discerned.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Youth Training Option

	Atlantic	Quebec	Ontario	Prairies	B.C.
Program Funds Approved to Date	20.8	12.2	20.3	18.5	28.2
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

NATIVE INTERNSHIP PROGRAM
(Prepared by Job Creation and Training Study Team)

OBJECTIVES

To enhance the future labour market participation of native students, both secondary and post-secondary, by providing them with summer employment in CEIC Regional Offices and, to a lesser extent, local offices.

AUTHORITY

N/A

DESCRIPTION

The resources for operating the Native Internship Program (NIP) come from the Summer Canada budget and they are in turn allocated to various CEIC offices throughout the regions and at National Headquarters. Native students are then hired from the local labour market for summer employment.

BENEFICIARIES

In 1984/85, it is estimated that 480 post-secondary/ secondary students obtained summer employment with CEIC as a direct result of the program.

RESOURCES ($000)

	83/84*	84/85*	85/86
$	2,183	2,300	2,300
PYs of employment	113	120	120

ASSESSMENT

Native students employed under this program gain valuable work experience that may, in some instances, be career-related. The program also assists participating post-secondary students in meeting some of their education costs.

NIP is an employment equity measure which seeks to guarantee that a portion of the summer hiring done by CEIC includes natives. In particular, it helps to foster social interaction between natives and non-natives in CECs, which have in some circumstances been accused of being insensitive to native concerns.

ALTERNATIVES

Maintain the program.

RESOURCES (Native Programming)

As above.

COMMENTS

It is noteworthy that this is the only program operated by CEIC which is exclusively oriented to natives. This program could probably be applied to other departments in the Public Service.

NATIONAL INSTITUTIONAL TRAINING PROGRAMS
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To meet the skill needs of the economy and to improve the employability and/or earning capacity of participants.

AUTHORITY

National Training Act, 1982 and Unemployment Insurance Act, section 38.

DESCRIPTION

Classroom courses in occupational skills are purchased almost entirely from provincial institutions. Individual trainees are enrolled in courses by local Canada Employment Centres operated by the Canada Employment and Immigration Commission (CEIC). Full-time courses of up to 80 weeks are available plus part-time courses. Trainee financial assistance while on course is provided by:

a. unemployment Insurance (where the trainee is eligible); or
b. training Allowances (for full-time trainees where not eligible for Unemployment Insurance); and
c. other training-related expenses.

Major program components under Institutional Training are:

a. occupational Skill Training -- (levels of training activity are determined both by economic and social criteria) approximately 54 per cent of program expenditures;

b. basic Training for Skill Development -- (academic upgrading and job readiness training) approximately 20 per cent of expenditures;

c. language Training -- (assistance to immigrants and inter-provincial migrants to become basically fluent in English or French to obtain employment) approximately 10 per cent of expenditures; and

d. apprenticeship -- (training levels are determined by firms' own in-industry training activities. This component underwrites the cost of classroom training under provincial apprenticeship programs) approximately 16 per cent of expenditures.

BENEFICIARIES

Any adult who has not attended school on a regular basis for any period of 12 consecutive months since reaching official school-leaving age or who is training in a designated occupation in strong national demand. Program utilization is heavily concentrated on the unemployed and members of the youth category, with approximately 170,000 trainees enrolled in skill training programs.

EXPENDITURES ($ Million)

	80/81	81/82	82/83	83/84	84/85 (est.)	85/86 (est.)
Course Purchases	395.0	419.9	482.3	516.0	525.3	525.0
Allowances	103.6	105.7	109.1	115.8	119.6	96.8
UI Benefits	157.8	166.5	206.0	221.5	259.0	261.0
TOTAL	656.4	692.1	797.4	853.3	903.9	882.8
PYs	468	497	515	491	449	445

OBSERVATIONS

As education is constitutionally under provincial jurisdiction, federal institutional training programs are implemented through federal-provincial agreements signed under the National Training Act. CEIC negotiates agreements with each province covering the purchase and types of training courses and the level of federal funding. Current agreements were originally scheduled to expire March 31, 1985 but a one-year extension of the agreements was recently negotiated. The agreements guarantee the provinces 90 per cent of the previous year's level of funding for institutional training plus an inflationary factor based on the CPI. This provision reduces considerably federal flexibility in funding decisions and inhibits the shifting of funds to provinces with greater potential of training for occupations in demand. No such guarantee exists for industrial training.

Federal funding of institutional training represents a significant proportion of the funding received by the provincial community/institutional colleges (approximately 25 per cent). Institutional training also represents a large proportion of total CEIC training expenditures (approximately 84 per cent in 1983/84).

Federal expenditures on institutional training are in addition to federal transfers for post-secondary education under the Fiscal Arrangements Acts. The value of these transfers, consisting of both cash and tax points, is estimated at $4.2 billion in 1984/85.

Based on CEIC evaluations to date:

a. When focused on skills where there are job openings, institutional training has demonstrated a potential to enhance the empoyability and earnings of workers (average trainee employability increased from 57 per cent in the year before training to 75 per cent after training).

b. However, evaluations indicate that a significant proportion of training has been increasing supplies of workers in occupations that are in surplus in the economy. Evaluations in 1979/80 indicated that around one-third of the training was in occupations where a surplus already existed. More recently, the program's three month follow-up of graduates indicated only 57 per cent had found jobs and only 31 per cent had found employment in occupations directly related to their training.

c. Based on the high drop-out rates recorded in some cases, there is evidence of inadequate trainee selection procedures. CEIC data indicate that in Basic Training for Skills Development (BTSD), one in three workers opted out of the course before completion.

During the consultation process, many representatives of business and labour expressed concern over the lack of an adequate information system on which to base institutional training relative to occupational and skills shortages.

These representatives also expressed concern about the use of UI funds to support training activities, particularly when the training did not result in significant reductions in unemployment.

In December 1984, the Minister of Employment and Immigration issued a consultation paper on training. Annex 1 to that paper contained a forecast, based on a Canadian Occupational Projection System reference case scenario developed for CEIC by Informetrica, of the occupations expected to contribute most to employment growth in Canada from 1983 to 1992. Of the 30 occupations forecast to grow, a substantial number are low-level skill jobs for which little formal training would be required. Only three or four relate to high technology or skilled trades. Therefore, for most of the 30 occupations, which are forecast to contribute 40 per cent of employment growth in the next few years, the role of institutional training would appear to be relatively minor.

ASSESSMENT

The study team has concluded that there exists serious grounds for concern that the federal government is over-investing in institutional training. In this regard, the following points are noted:

1. Large numbers of trainees appear to have difficulty in obtaining employment in occupations directly related to their courses.

2. In 1979/80 when unemployment generally was much lower than at present, one-third of training expenditures were focused on surplus occupations.

3. Many business and other representatives expressed concern during the consultation process conducted by the study team over the lack of adequate private sector input, particularly at the community level, into the selection and design of training courses, and the absence of a mechanism to adequately identify the demand for skills, resulting in continued imbalances in many occupations and a serious proportion of persons trained in surplus occupations.

4. There was widespread agreement that training only for the sake of training was undesirable.

It can also be argued that a significant portion of federal expenditures on institutional training, particularly BTSD, is directed at meeting worker needs which have developed as a result of deficiencies in the provincial educational programs.

Any reduction in federal support for institutional training could be met by opposition from the provinces and from program beneficiaries.

Termination of federal support for institutional training would likely result in opposition from the provinces and could lead to some reduction in employment opportunities for the principal beneficiary group. Program termination particularly with respect to the apprenticeship programs, in our view, would likely lead to an increase in occupational skills shortages in certain areas.

ALTERNATIVES

Reduce funding and improve the program.

Potential expenditure reductions of approximately $45 million in 1985/86 could be obtained by confining federal support for institutional training to 95 per cent of 1984/85 levels. This would enable the federal government to meet its commitments under the federal/provincial agreements. This option would require immediate action as the agreements provide that the federal government will endeavour to notify the provinces of the funding levels prior to the fiscal year.

Under the option, in the context of renegotiating the federal/provincial training agreements which expire March 31, 1986, the federal government's position could be based on:

- a 25 per cent reduction in 1986/87 in the overall level of federal institutional training compared with the authorized funding level in 1985/86 of $883 million, including phasing out federal support for Basic Training and Skill Development over a three-year period, starting in 1986/87; and

- the reduction or elimination of the current 90 per cent guarantee of annual funding.

The effectiveness of institutional training programs could also be improved by providing more private sector input (large and small business, labour) on the design and selection of courses through the federal/provincial Labour Market Needs Committees which are established under the federal/provincial agreements. Other suggested improvements include improved screening/selection of trainees, more attention to skills upgrading courses and local business/labour involvement at the community level in course selection/design.

RESOURCES (Native Programming)

(Estimated)	**83/84**	**84/85**	**85/86**
($ Million)	42.5	45.0	43.9
PYs		22.4	

COMMENTS

DIAND Employability Programs overlap significantly with this program. The major difference is that DIAND has made modifications to the eligibility requirements to make them more relevant to Indian circumstances. The result is that Metis and non-status Indians do not have the same access.

It would appear more appropriate to modify the CEIC program to make it more relevant and accessible to natives and to terminate the DIAND program.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Institutional Training (Course Purchases)

	Atlantic	**Quebec**	**Ontario**	**Prairies**	**B.C.**
84/85 Program Funds	12.0	27.8	30.8	19.8	9.6
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

NATIONAL INDUSTRIAL TRAINING PROGRAM
(prepared by Job Creation and Training Study Team)

OBJECTIVES

The Industrial Training Program is composed of two components with the following objectives:

1. Critical Trade Skills Training (CTST) - To put in place a continuing training capacity to deal with persistent and critical shortages in higher skill occupations.

2. General Industrial Training (GIT) - To assist employers to establish or expand their training capacity; to remedy persistent shortages of skilled workers; to minimize lay-offs resulting from technological or other changes; and to provide workers who have special needs and other unemployed persons who lack marketable skills with employment opportunities.

AUTHORITY

National Training Act, 1982.

DESCRIPTION

Both components provide financial assistance to employers to increase training activities. CTST assists employers to provide longer-term training up to 104 weeks to employees in occupations designated as experiencing persistent shortages because Canadian training capacity is severely underdeveloped. Assistance takes the form of reimbursement of eligible training costs and a percentage of wages paid to trainees. Wage reimbursement rates range from 50 per cent for regular trainees to 75 per cent for women being trained in non-traditional occupations and 85 per cent for trainees with special needs. Training Technical Services are provided by provincial governments under special arrangements with CEIC. Federal training agreements require provincial concurrence with training proposals. As a result of the November 8, 1984 Expenditure and Program Review, the funding for the General Industrial Training component will be reduced by $70 million in 1985/86 along with the restriction that funding assistance be confined to disadvantaged persons such as the physically and mentally disabled, ex-offenders, ex-alcoholics, ex-drug users, etc.

BENEFICIARIES

Any Canadian employer or employer association whose operations are not financed primarily by public funds is eligible to apply for training assistance. If training is designed for people with special needs, any employer is eligible to apply, except federal departments or agencies.

Persons are eligible for training provided they are:

a. at or beyond the regular school leaving age of the province in which they reside;

b. employees of the contracting employer or members of the contracting association during the training period; and

c. likely to derive continuing benefit from the training and work experience in terms of increased employment and/or earning capacity.

Some [illegible] workers were enrolled in CTST in 1983/84 with a strong focus on upgrading for those already employed. Approximately 4,200 individuals were enrolled under GIT as Special Needs Clients in the same year, with youth, women, natives, the handicapped, and welfare recipients included in the coverage.

EXPENDITURES ($ Million)*

	83/84 Actual	84/85 Estimate	85/86 Budget
GIT	77.6	82.5	25.8
CTST	47.9	71.8	95.4
TOTAL	125.5	154.3	121.2

* Excludes provincial administration costs.

ASSESSMENT - GIT

CEIC program evaluations of industrial training suggest that it does contribute towards increasing the employability of workers (from 40 per cent before to 70 per cent after training). However, this should be balanced against the fact that evaluations to date have shown a significant proportion of GIT trainees were involved in occupations where surpluses already existed. No empirical evidence has been presented to the study team that would indicate this problem has been corrected. This raises questions regarding unfulfilled job expectations on the part of trainees as well as losses in the value of training through the absence of an opportunity to use newly-acquired skills. The evaluations also raise concerns regarding program incrementality. Approximately four out of five employers surveyed by CEIC in 1979/80 indicated they would have trained in any event. A number of employers interviewed by the study team continue to express these concerns.

In the study team's consultation process, several representatives from business and labour expressed frustration at the ability of the province to veto proposed training programs.

With the recent restriction limiting GIT funding to disadvantaged groups only, there appears to be considerable overlap between the clientele of this program and job creation programs, in particular Job Corps and Career Access.

Termination of the GIT program would eliminate assistance to those who, based on the program criteria, have been identified as experiencing severe difficulties in competing for available jobs.

ALTERNATIVE - GIT

Consolidate with Job Corps and Career Access.

Consolidate the remaining component of GIT with the Job Corps and Career Access programs as part of one program which would be targeted at disadvantaged groups and where the training activities would relate to the greatest extent possible to anticipated occupational and skill shortages.

An advantage of this option is that it would eliminate the considerable overlap between the clientele served by this program and those served by Job Crops and Career Access. It would also provide greater flexibility to shift funding between training and job creation initiatives targeted at the specially disadvantaged. To the extent that this program would involve training, the provinces could raise concerns that this training should be covered under the training agreements.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

General Industrial Training

	Atlantic	Quebec	Ontario	Prairies	B.C.
Program Funds Approved to Date	13.9	19.9	30.0	25.1	11.1
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

ASSESSMENT - CTST

No evaluation has been completed on the CTST program. However, it should be noted that a number of technical skills in demand in the 1970s remain in high demand today, suggesting that the program has had only little effect on easing occupational demand for skills considered to be of critical importance. Canada has traditionally depended heavily on immigration to meet the higher-level skills demand for the labour market. In the past, this has reduced the incentive for employers to train, a situation that could recur, unless the recruitment of offshore workers to meet identified skill shortages is maintained at a minimum.

Program expenditures per worker under CTST can run up to two years due to the length of time required to develop the skills in question and consequently can involve a substantial expenditure on a per capita basis. The expenditure of public funds is worthwhile only when the training addresses real occupational shortages.

The number of occupations designated as critical has fluctuated considerably over the years. Prior to the National Training Act, the designation of occupations was confined primarily to apprenticeable type trades. With the introduction of the National Training Act, this designation was expanded and as a result, the number of occupations designated increased substantially in 1982 (approximately

80). The recent economic decline has resulted in a reduction in the number of designated occupations to approximately 60. Of the occupations currently designated as qualifying for support, the study team questions the extent to which shortages in many of these occupations do, in fact, exist.

A major problem is the apparent lack of an adequate information system and data which would provide a basis for identifying critical trade skills shortages for current needs and the foreseeable future. In the consultation process, representatives from business and labour expressed doubts that the Canadian Occupational Projection System (COPS) of CEIC will fill this gap.

There may not be extensive negative effects on the private sector if the program were eliminated. However, in a certain number of cases involving key shortages, a company's incentive to train would be reduced if financial assistance were completely withdrawn.

ALTERNATIVE - CTST

Reduce funding.

Under this option, the authorized funding levels for CTST would be limited to not more than $50 million in 1985/86. In this regard, the study team notes that the base funding levels for critical skills training were established in 1982 and they assumed a severe shortage of certain designated critical skills within the context of projected levels of economic activity that have proven to be over-optimistic. The study team also notes the department's history of lapsing CTST funding ($28 million in 1983/84).

As part of this option, improvements could be made in the procedures for designating critical skills. Such improvements could include increased involvement at the local level including participation by industry and labour, a return to designations primarily associated with apprenticeable skills and an increased emphasis on upgrading. Improvements could also be made by better targeting the assistance to critical skills identified by small business.

RESOURCES (Native Programming)

(Estimated)	**83/84**	**84/85**	**85/86**
($ Million)	12.3	15.1	11.9
PYs		7	

COMMENTS

DIAND operates a "mirror" program but with less restrictive eligibility criteria. The advantages of concentrating delivery in one department should be explored.

Greater flexibility in terms of regional determination of "critical skills" would be an improvement.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Critical Trade Skills Training

	Atlantic	**Quebec**	**Ontario**	**Prairies**	**B.C.**
Program Funds Approved to Date	5.6	22.2	39.1	19.1	14.2
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

SKILLS GROWTH FUND
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To stimulate increases in capacity and the modernization of equipment for institutional skill training in designated national occupations, and for adults with special training needs, in any occupation in demand.

AUTHORITY

The National Training Act, 1982 - Section 9.

DESCRIPTION

This program was introduced by the Canada Employment and Immigration Commission (CEIC) in the fall of 1982. The fund pays for:

- capital expenditures for buildings, equipment, and machinery up to $40,000 per training place;
- initial operating costs for new courses at a rate of 75 per cent of net operating expenditures;
- course development costs at a rate of 50 per cent of expenditures over $50,000 (80 per cent in the case of non-profit organizations set up to provide training for persons with special training needs);
- in the case of non-profit organizations which need such assistance, profit proposal development assistance up to $50,000 per project;
- projects must develop training capacity in nationally designated (i.e. shortage) occupations or for target groups. The program is designed to respond to a perceived lack of training facilities geared to new and emerging technology and to shift institutional training to focus more on key economic objectives; and
- all project proposals compete against one another. Eligible projects outstrip available funds 2:1 and all available funds have been committed. The Skills Growth Fund is designed to assist in catching-up and maintaining in Canada's tigh skill training facilities.

BENEFICIARIES

Projects can be sponsored by a province on behalf of a community college, or by non-profit organizations representing industry, employers, unions or target goups, set up to provide training. Approximately 10 per cent of expenditures have been directed to non-profit organizations, half of which involve native groups. Twenty-seven per cent of total expenditures have been for new buildings, 67 per cent for new equipment, 4 per cent for initial operating costs, and 2 per cent for course development costs.

EXPENDITURES ($ Million)

	82/83	83/84	84/85	85/86
Budget	33.0	93.4	144.4	10.1
Expenditures	18.3	36.8	85.0	69.5(est)

ASSESSMENT

CEIC has not undertaken an evaluation of the Skills Growth Fund. The program was intended to provide assistance for a limited time with authority for the funding scheduled to expire March 31, 1985.

The study team believes that to keep abreast of technological developments, the Canadian work force requires access to training on the most up-to-date equipment possible. Similarly to the extent that it produces increased or enhanced training facilities in shortage areas, the requirements of Canadian industry are being met -- with positive longer run employment implications and benefits to the economy.

The study team questions, however, the need for a separate program to provide funding for new capital and equipment. In this regard, we note that if the Skills Growth Fund were to be terminated, provinces would still be able to recover depreciation allowances under the Federal/Provincial Training Agreements which detail the costs which may be recovered through per diem course prices.

A further issue relates to the extent to which additional federal capital funding should be provided to community colleges, given the substantial federal transfers to the provinces ($4.2 billion in 1984/85) for post-secondary education, which can be used by the provinces to maintain up-to-date facilities in the community colleges.

Elimination of the program would likely be met with resistance from the provinces as well as the small percentage of non-profit organizations untilizing the fund.

ALTERNATIVE

Eliminate the program.

Under this alternative the Skills Growth Fund would be eliminated in light of the points made above. Outstanding program commitments in 1985/86 would have to be honoured. Section 6 of the National Training Act would still provide for equipment purchases by non-profit organizations when related to courses addressing a critical skills shortage.

RESOURCES (Native Programming)

(Estimated)	83/84	84/85	85/86
($Million)	7.1	16.3	13.5

COMMENTS

A relatively large percentage of expenditures in this program have been attributed to natives. One of the reasons is likely the greater need of the Indian Community Colleges to "catch up" in their course capacities.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Skills Growth Fund

	Atlantic	Quebec	Ontario	Prairies	British Columbia
Program Funds Approved to Date	14.0	23.9	28.4	20.8	12.9
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

CAREER ACCESS
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To stimulate the provision of employment opportunities for persons whose participation in the labour market may be facilitated or enhanced by measures such as wage subsidies and developmental uses of Unemployment Insurance Funds.

AUTHORITY

Appropriation Act and the Unemployment Insurance Act, Section 38.

DESCRIPTION

Career Access is comprised of two distinct components:

1. Wage Subsidy Component - Basically involves providing financial assistance up to 50 per cent of gross wages to a maximum of $15,000 per annum available to employers in all sectors for the placement of individuals who face severe employment barriers. (The program also has the capacity to provide a contribution to community groups assisting in program delivery and to employers for job related equipment and facilities needed to employ certain groups.)

2. Voluntary Initiatives Component - Provides U.I. beneficiaries with enhanced benefits in return for work in voluntary organizations (when no alternative job opportunities are available in the regular labour market).

Under Career Access wage subsidies, worker clients are identified as eligible by employment counsellors in local CEIC Canada Employment Centres following an assessment of their unemployment experience and the application (when relevant) of established program criteria to determine the eligibility of seriously employment-disadvantaged persons. The rationale for the wage subsidy relates to its use in enhancing the competitiveness of these workers to have access to the available jobs in the economy. This has implications for displacing other workers since the employment is not required to be incremental.

The Voluntary Initiatives Program is an experimental initiative at present accounting for less than 5 per cent of total Career Access activities. Under it, Canada Employment Centres identify candidates from among U.I. recipients who wish to undertake worthwhile activities with voluntary agencies while on claim. Final selection is made by the voluntary organizations concerned. Proposals must not displace existing volunteers or regular employees.

BENEFICIARIES

Long duration unemployed persons, with a strong focus on youth; employment-disadvantaged persons; UI recipients for placements in voluntary organizations. In 1983/84 a total of some 40,000 clients were placed in jobs under the program. Regionally, program activities have favoured the Atlantic provinces reflecting the higher unemployment there. Elsewhere, program funds have tended to reflect the labour force distribution.

EXPENDITURES ($ Million)

	83/84	**84/85**
TOTAL	73.5	184.1
PYs	181.0	333.0

ASSESSMENT

A strong case can be made for this type of program insofar as it aims at providing a more equitable sharing of available job opportunities versus the distribution of unemployment. The issue of accessibility to employment opportunities is particularly important in a protracted period of high unemployment.

Based on internal evaluations undertaken by EIC on the impact of the wage subsidy approach under federal programs for significantly disadvantaged groups, the evidence indicates that such subsidies do have a positive effect. Approximately 80 per cent of employers surveyed after hiring such workers indicated that they would not have done so without the subsidy.

However, there is other evidence from earlier experience on the delivery of wage subsidy assistance to older workers displaced by industrial cutbacks, that the program delivery approach requires considerable care and should be reviewed. In this instance, the CEIC evaluation referred to the point that the program was not well understood by the employer clientele nor well promoted by the local Canada Employment Centre offices.

A comparison with the activities of other CEIC programs such as Job Corps, and General Industrial Training for the disadvantaged points to a considerable general overlap in clientele and program duplication.

In addition, there appears to be an overlap of program clientele between Career Access and social welfare programs and services administered by provincial governments.

Finally, concerns have been indicated regarding the utilization of Unemployment Insurance funds for job creation activities on the grounds that any increased costs associated with U.I. adds directly to the burden of the private sector.

Elimination of this program would reduce employment opportunities for individuals who face severe employment barriers. As noted by the study team, some 44,000 clients were assisted under this program in 1983/84 with a strong focus on youth.

ALTERNATIVE

Program Consolidation.

Under this option, Career Access would be consolidated with other federal programs focused on the disadvantaged. Such a consolidated program for disadvantaged groups would include the most current versions of Job Corps, Career Access, and the disadvantaged component of General Industrial Training. The implementation of such an option would streamline the existing system substantially and reduce program overlap and duplication. It would also maintain the distinction between job creation for incremental employment of the Canada Works type, and job creation assistance for social equity to enable such workers to be more competitive for any available jobs.

RESOURCES (Native Programming)

(Estimated)	**83/84**	**84/85**	**85/86**
($ Million)	4.2	10.5	10.5
PYs		19	

COMMENTS

No further comments.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Career Access

	Atlantic	**Quebec**	**Ontario**	**Prairies**	**British Columbia**
84/85 Program Funds	11.9	27.8	34.7	13.8	11.9
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

OPTIONS NORTH

OBJECTIVES

To provide special supports for individuals adjusting to wage employment.

AUTHORITY

Appropriation Act.

DESCRIPTION

This program is delivered by Canada Employment and Immigration Commission under the Human Resources Development Sub-agreement of the Canada Northwest Territories Economic Development Agreement.

The program provides support in the form of life skills and family counselling, alcohol and drug awareness and industrial orientation programs.

BENEFICIARIES

Affirmative action target groups, particularly native people, who are making the transition from a traditional lifestyle to regular employment in the industrial labour force.

EXPENDITURES ($ Million)

	83/84	84/85	85/86
Expenditures	--	.6	2.3
PYs	--	1	1

OBSERVATIONS

This program represents a CEIC effort to develop a program specific to the needs of a particular client group in a particular region.

Although the program is part of an agreement which was signed in September 1983, implementation has been particularly slow in developing. Initial attempts to deliver the program through regular CEIC offices were unsucessful until the fall of 1984 when a coordination officer was set up to focus responsibility.

ASSESSMENT

The program concept is based on similar efforts previously implemented by provinces through federal-provincial northern development agreements in Alberta and Manitoba.

The program concept is sound and represents one of CEIC's first efforts to deliver custom programs. This type of approach is essential to making training and employment programs effective in addressing the needs of native people.

The fact that the concept was "borrowed" and that considerable difficulties have been encountered in implementation underscore the fact that CEIC's capacity to design and implement custom tailored regional programs is somewhat limited and should be enhanced.

ALTERNATIVE

Maintain the program.

AFFIRMATIVE ACTION PROGRAM (GENERAL)/FEDERAL CONTRACTS PROGRAM

(prepared by Job Creation and Training Study Team)

OBJECTIVES

To solve the basic problems that leave some groups at a serious disadvantage in the Canadian labour market by promoting the adoption of affirmative action plans to enhance human resource productivity and utilization.

AUTHORITY

Cabinet Decision.

DESCRIPTION

This program is administered by CEIC. It promotes the adoption of affirmative action measures in the private and public sectors. It seeks to eliminate or reduce employment measures that individually or collectively limit the entry, training and advancement of women, native people, disabled persons, and blacks in Nova Scotia. The targeted employment practices are those which inhibit employment opportunities by requiring applicants to possess qualities/skills non-related to successful job performance. These employment practices are frequently referred to as systemic barriers.

The program provides employers with information, training, technical advice and assistance through a national network of consultants in CEIC offices. In the last two years, these consultants have advised/assisted 520 employers and made presentations to 600 more. Affirmative action agreements presently signed provide coverage to some 120,000 employees.

A component of the Affirmative Action Program, the Federal Contracts Program, is focused on employers under contract to the federal government. Of the current affirmative action agreements signed, 28 per cent are with federal contractors who collectively employ some 60,000 workers.

The Affirmative Action Program is supported by specific affirmative action programs within the federal public service.

BENEFICIARIES

The program is of prime benefit to target group members.

EXPENDITURES ($000)

	83/84	84/85	85/86
TOTAL	1,341	1,435	1,435
PYs*	31	29	29

* Distributed across CEIC Headquarters and Regional Offices.

ASSESSMENT

In March 1984, the Commons Committee on Visible Minorities stated the program had to be strengthened if it was to have significant impact on the voluntary development of affirmative action plans by private sector employers. Notwithstanding these difficulties, a study commissioned by Secretary of State found that the program had contributed to important shifts in employers' attitudes and perceptions towards the target groups.

Employer participation in the program is voluntary. Some representatives of women's groups have argued that legislation to enforce affirmative action in the private sector is required. However, employers are generally strongly opposed to such legislation.

In the study team's view, this program should be maintained within the context of the federal government's commitment to employment equity. No information is available to assess post-agreement impact on the hiring, training and promotion of target group members.

ALTERNATIVE

Maintain the program.

Private sector employers should be expected to improve equity in employment in order to diminish social pressures for legislated initiatives.

RESOURCES (Native Programming)

(Estimated)	**83/84**	**84/85**	**85/86**
($ Million)	.4	.5	.5
PYs		10	

COMMENTS

No further comments.

LOCAL EMPLOYMENT ASSISTANCE AND DEVELOPMENT (LEAD)
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To increase the number of permanent jobs in localities of high levels of long-term unemployment.

AUTHORITY

Appropriation Act; Treasury Board Minute 794486.

DESCRIPTION

The LEAD Program is administered by Canada Employment and Immigration Commission (CEIC) and provides grants and contributions to increase the number of permanent private sector jobs in localities of chronically high unemployment. The focus of its rationale is on problems of persistent regional disparities in unemployment and the nature of its response is to encourage the development of permanent jobs which are economically viable (i.e. private sector based). This community-based economic development program operates through four components:

1. Local Development Corporations -- (LEAD) (Non-profit) Corporations identify economic opportunities, provide technical assistance to entrepreneurs and manage an employment development fund which provides financing for loans to, or investments in, local businesses. Financial assistance to a company is limited to a maximum of $25,000 per year.

2. Enterprise Projects -- Community-based organizations can receive contributions for the purpose of developing a commercially viable enterprise.

3. Infrastructure Projects -- Designed to enhance the community's capacity to achieve local employment growth.

4. Planning Projects -- To plan and organize for any of the above types of endeavours.

Awareness of the LEAD Program among communities is promoted in a number of ways. Communities thought likely to have potential are contacted by the program. Presentations are made and program literature distributed to interest groups and municipalities. In addition, CEIC's local Canada Employment Centres and Employment Development Branch offices refer interested groups to LEAD.

BENEFICIARIES

Organizations representative of community interests (must be incorporated as a non-profit corporation to qualify as a LEAD Corporation) in communities (normally less than 50,000 population) which have persistent unemployment problems, but have potential for increased employment and a demonstrated capacity for planning and economic development. Participants must be legally entitled to work in Canada. Based on the most recently available data, some 16,500 workers have been identified as having been employed through the program. LEAD activities are strongly focused on the Atlantic provinces and Quebec.

EXPENDITURES ($ Million)

	83/84	84/85	85/86
TOTAL	38.3*	88.9	101.0
PYs	144.0	163.0	

* Does not include a $61.4-million element, included in 83/84 Canada Works, to be transferred to LEAD in 84/85.

ASSESSMENT

In the study team's view, a case can be made for maintaining measures in response to regional disparities in employment opportunities in the economy, particularly utilizing a private sector based approach. However, we believe to a large extent the EIC LEAD approach duplicates the activities in this area of the Department of Regional and Industrial Expansion (DRIE). Under the aegis of the federal-provincial Economic and Regional Development Agreements, and through the Industrial and Regional Development Program, DRIE can and does provide assistance to both new and existing firms with respect to activities such as setting up business, modernization and expansion, with the level of assistance linked to local unemployment conditions.

It can be argued that groups setting up business in smaller communities may encounter difficulties in accessing DRIE assistance. However, the study team believes that insofar as accessibility is an issue, the problem is better examined in the context of DRIE's own programs and how to improve their responsiveness rather than by CEIC continuing to offer the LEAD program, which substantially duplicates similar assistance available from DRIE. In this regard, we note that questions were raised by private sector representations during our consultation process concerning the qualifications of CEIC personnel to assess private sector small business projects.

Furthermore, we question the practice of the LEAD program providing money without some meaningful financial involvement on the part of applicants. No evaluation of the impact of this program has been undertaken thus far. However, generally available evidence on the experience to date in stimulating development in smaller communities indicates that it is a slow process and one that is high risk, although there have been some useful projects.

A large percentage of LEAD funds in some areas has been directed to native projects. This also appears to be a direct overlap with the intent of the Native Economic Development Agreement Fund which has been established under the direction of DRIE ($110 million - 85/86).

LEAD initiatives have been perceived by several provinces (Newfoundland, Quebec and Ontario) as a federal-provincial irritant, overlapping with provincial development measures. In addition, part of LEAD financing is directed towards municipal-type projects, an area that is a provincial responsibility.

There is a high proportion of program funding in the Atlantic Provinces and Quebec, relative to their percentage of the labour force.

ALTERNATIVE

Program termination.

Under this option, no new activities would be funded under LEAD and the existing program would be phased out as present commitments to communities terminate. CEIC would continue to administer LEAD during the phase-down process. Responsibility for any new funding of economic development activities in local communities would rest with DRIE programs and possibly the provinces within the framework of the ERDAs. In the study team's view, a strong case can be made for this option in the light of concerns identified in the program assessment relating to long lead-times to pay-off, high-risk factors, and apparent duplication with DRIE programs and provincial measures. However, there would likely be opposition to terminating the program from potential program beneficiaries, especially in the Atlantic Provinces and Quebec.

RESOURCES (Native Programming)

(Estimated)	**83/84**	**84/85**	**85/86**
($ Million)	22.7	20.0	22.7
PYs		37	

COMMENTS

The Native Programs study team agrees with the conclusion of this assessment but may have arrived at it for different reasons.

In the area of enterprise projects, there is a need for supports of this kind but assistance should be provided on the basis of the business component requiring subsidy (in the case of LEAD, assistance is always focused on employment which has a natural tendency for an enterprise to run too labour intensively and hence never become self-sufficient).

In the area of Local Development Corporations, this kind of assistance creates a dependence on government for continuing subsidy.

Finally, we agree with the conclusion that these kinds of supports can be better handled by a business oriented department and most appropriately through federal-provincial agreements.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Local Employment Assistance and Development

	Atlantic	Quebec	Ontario	Prairies	B.C.
84/85 Program Funds	24.6	37.8	14.2	14.8	8.6
Total Labour Force (1984 avg.)	7.7	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

CANADA WORKS
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To create incremental term employment for unemployed persons.

AUTHORITY

Appropriation Act; Unemployment Insurance Act, Section 38.

DESCRIPTION

Canada Works is designed primarily as a short-term contra-cyclical program for the unemployed administered by Canada Employment and Immigration Commission (CEIC). It was introduced in 1983 and involves the consolidation of a number of earlier programs with similar objectives. It has operated under a variety of names but with basically the same concept since the 1970s.

The program underwrites the cost of direct job-creation projects which provide temporary employment and which are intended to support local priorities and contribute to regional and/or federal objectives for economic recovery and employment growth. Program resources are provided through the Consolidated Revenue Fund (CRF) and the Unemployment Insurance Account with levels determined on a year-to-date basis. CRF-sourced resources are allocated among federal constituencies based on the seriousness of local unemployment conditions (as measured by the extent to which the local labour surplus rate exceeds 6 per cent). U.I. sponsored activities are allocated more generally among regions on the basis of U.I. claimant trends.

BENEFICIARIES

Program clientele involves unemployed persons eligible to work in Canada. Preference is given to those who have been unemployed for eight weeks or more and who are not, in the opinion of the employment counsellor, likely to obtain alternative employment during the duration of the project. Within this group, referrals are made on the basis of the following priorities: U.I. exhaustees and welfare recipients and laid-off workers in receipt of U.I.

In addition, separate measures have been targeted under the aegis of this program on students searching for summer employment. The most recently announced initiative in this respect is the Summer Employment and Experience Development Program.

Overall, with respect to total program activities, some 233,000 worker clients participate annually. The regional distribution of activities tends to be focused more on those areas with higher unemployment - the Atlantic provinces, Quebec and British Columbia.

EXPENDITURES ($ Million)

	83/84	84/85
Consolidated Revenue Fund	667.0	503.5
U.I. Account	187.0	
PYs	1,355	1,203

OBSERVATIONS

Internal CEIC evaluations indicate the general program approach has been basically successful in generating temporary incremental employment in the economy targeted on the unemployed. However, there have been persistent concerns that many of the projects in the public sector are of a "make-work" nature with a productive output of very limited value and not generating subsequent permanent employment. While in the private sector, the extent to which the employment generated was truly incremental has been identified as an issue. These concerns were frequently reiterated in the private sector consultations undertaken as part of the present review.

Moreover, the current prolonged cyclical slack in the economy and the growing incidence of longer duration unemployment raises questions as to the continuing appropriateness of short-term responses which are often seen as "band-aids" or "quick-fixes" addressing the symptoms rather than the cause. For example, while in 1980 only 15 per cent of the unemployed were out of work for six months or more, this figure has doubled under prevailing conditions.

Concerns were also expressed during the private sector consultations regarding the use of Unemployment Insurance funds for job creation initiatives. While U.I./Job Creation projects do not establish a further U.I. eligibility for workers after project employment has terminated, they can result in an increased drain on the U.I. Account during the duration of the job creation projects themselves. This is viewed as an application of the U.I. program which is far removed from its basic principles and one which ultimately adds to the burden of premiums paid.

In terms of program delivery, the short-term funding provisions under the program create planning and administration problems and appear to necessitate a large number of person-years. In addition, temporary direct job creation measures are an area of substantial overlap between federal and provincial governments. Available evidence on the array of provincial programs identified a total of some 50 measures targeted on a variety of clienteles (e.g. summer students, disadvantaged groups, welfare recipients) - many of which overlap with the coverage of federal measures. However, these parallel activities often are not co-ordinated and cause extensive program proliferation and confusion.

ASSESSMENT

The study team believes direct job creation programs are not the best long-term solution to prevailing high unemployment conditions, particularly in light of the greatly increased incidence of longer term unemployment. In our view, such job creation measures are essentially a short-term response to the symptom but do not address the underlying cause.

However, until such time as a long-term solution is developed there is intense pressure to implement direct job creation programs to alleviate the hardship to laid off workers who in many cases would have to resort to welfare when their U.I. entitlement ran out, and to support hard-hit communities. If the program were eliminated, the hardship in these cases would be intensified. Consequently, on balance, we believe there is a role for direct job creation programs until the overall performance of the economy in generating permanent new jobs improves substantially.

However, in our view, any direct job creation program should be designed to correct insofar as possible the major deficiencies of the present Canada Works program. In this regard, we believe that the following points should be taken into account:

1. The program should be redesigned to recognize the serious problem of longer duration unemployment in the economy and should focus exclusively on the long-term unemployed.

2. Much greater effort should be made in generating a productive output that is of intrinsic economic value. We believe this requires a much greater emphasis on job creation in the private sector with the greatest leverage possible from private sector funding.

3. Concerns have been expressed in the past over the extent to which firms have truly created additional jobs and output from assistance received. In our view, any new direct job creation program should be strategically targeted on those sectors of the economy with the greatest potential for new job creation. In this regard, we believe that priority should be given to job creation in the small business and service sectors.

4. While giving more priority to the private sector, we believe there should be some role for public sector projects to play under direct job creation. To minimize concerns about the economic value of public sector activities, this approach should, however, be much better planned and targeted with longer lead times to achieve the maximum value of output possible. In our view, public sector activities could be better targeted on areas of high national priority.

5. In our view, direct job creation measures should be implemented through a process which involves a much closer integration of federal and provincial programs than in the past - to reduce program overlap and provide added leverage from federal expenditure. Possibly such integration could be facilitated through new federal/provincial agreements combining both job creation and training. Furthermore, we believe there should be strong input from the private sector on the determination of job creation projects, as well as the appropriate program mix and program targeting.

6. In our view, it is desirable that the type of agreements described by the study team should have the flexibility to reallocate funds between training and job creation to address the problems of the longer term unemployed, including possible redeployment of institutional training resources, to fund industry-based training and direct job creation.

7. We believe that consistent with moves towards a better planned and more integrated approach, any new job creation and training program for the longer-term unemployed should establish a longer term funding basis to prevent the problems of poor quality projects as a result of the present stop/go approach. A commitment to long-term funding (perhaps three years) might also facilitate co-operation with the provinces.

8. In addition, accompanying a long-term funding and planning process, we believe there should be a review undertaken to identify possible savings from cutting person-years as a result of the reduced need to mount a large number of projects at short notice, as has occurred under the stop/go approach.

ALTERNATIVE

Improved job creation and training program for the long-term unemployed.

An alternative to Canada Works would be to implement an improved job creation and training program targeted at the long-term unemployed consistent with the points outlined in the assessment above. A possible disadvantage of this option is that it could be met with resistance from provinces, particularly in relation to point (6) above. On the other hand, the incorporation of job creation into the federal/provincial agreements, and the commitment to longer-term funding, could be welcomed by the provinces. Another point to note is that the disbursement of funding under this option would no longer be based on constituency allocations.

RESOURCES (Native Programming)

(Estimated)	83/84	84/85	85/86
($ Million)	4.6	2.7	2.7
PYs		6.5	

* These are based on estimates provided by CEIC. On the basis of experiences of study team members, these estimates were thought to be low.

COMMENTS

The Native Programs Study Team recommends to the Task Force that the government consider termination of this program. The make-work programs designed to counter national cyclical unemployment have been particularly counter-productive in native communities. The "rich" wages provided by these programs often out-compete legitimate economic endeavour and these programs have now become a regular part of the community's artificial economy.

We strongly support the proposal to make longer term funding commitments through federal-provincial agreements and focusing efforts on long-term employment.

DISTRIBUTION OF PROGRAM FUNDS BY REGION AS A PERCENTAGE OF CANADIAN TOTAL VS REGIONAL SHARE OF TOTAL LABOUR FORCE AND UNEMPLOYMENT RATES BY REGION

Canada Works

	Atlantic	Quebec	Ontario	Prairies	B.C.
84/85 Program Funds	20.2	32.2	20.2	11.7	15.6
Total Labour Force (1984 avg.)	7.1	25.2	37.6	18.1	11.4
Unemployment Rate (1984 avg.)	15.4	12.8	9.1	9.8	14.8

AFFIRMATIVE ACTION (INDIGENOUS PEOPLE)
(prepared by Job Creation and Training Study Team)

OBJECTIVES

To improve the representation of indigenous people at the middle and senior levels in the Public Service and to provide a resource from which departments can recruit when filling positions.

AUTHORITY

Cabinet Decision.

DESCRIPTION

The pursuit of the federal government's policy of increasing the number of indigenous people in the public service is achieved primarily through the National Indigenous Development Program (NIDP) and the Northern Careers Programs (NCP) which are administered by the Public Service Commission (PSC).

Under these programs, participants are provided training and career development opportunities by being assigned to positions specifically identified for training purposes. Participants may remain in the program for periods of up to 24 months during which, through assignments of a managerial nature, they will develop the skills and qualities required for managerial positions. While they are indeterminate employees of the PSC, they are expected to be qualified in the position for which they have been trained and eligible to be placed in that position through normal the staffing process.

The NIDP and NCP are almost identical except that NCP is geographically limited to the area north of 60o. NCP is delivered through PSC offices located in Whitehorse, Yellowknife and Forbisher Bay.

Departments are required to share 50/50 the salary and person-years of participants.

BENEFICIARIES

Status and non-status Indians, Inuit and Metis.

EXPENDITURES ($000)

	NIDP			NCP		
	83/84	**84/85**	**85/86**	**83/84**	**84/85**	**85/86**
Financial	165	2,773	3,984	2,472	2,800	2,800
Participants	34	50	75	47	58	58
Administration	10	10	10	14	16	16
PYs						

ASSESSMENT

These programs are part of the government's overall affirmative action initiatives.

As of December 30, 1984, 58 persons were placed in positions as a result of NIDP. It is anticipated that by the end of the fiscal year, 80 persons will be placed. Of the 360 northern native people who have participated in NCP since its inception, approximately 60 per cent were employed by federal departments upon graduation; 20 per cent were employed by the Territorial governments or native organizations; and 20 per cent chose a lifestyle outside government. As of September 1984, there were 49 participants on strength under NCP.

The participation rates suggest that these programs are contributing to the government's affirmative action policies.

There is potential overlap in terms of clients served between these programs and training programs for natives in the Department of Indian Affairs and Northern Development. Unlike the PSC programs, the programs in DIAND do not require authorized person-years.

While it could be argued that NIDP and NCP could be combined, the two programs, while both addressed at indigenous people, operate separately with the NCP dealing almost exclusively with Inuit and the NIDP program dealing with Indians and Metis. The participants like this split and little would be gained administratively by combining the two programs.

OPTIONS

Maintain the PSC programs.

As part of this option, it is suggested that the study team on Native Programs review the related programs in DIAND to determine whether they should be consolidated with the PSC program.

RESOURCES (Native Programming)

As above.

COMMENTS

This assessment states that the Northern Careers Program (NCP) and the National Indigenous Development Program (NIDP) are almost identical. In point of fact, the NIDP is limited to improving access to middle and senior management positons. The NCP is not targeted to any particular level and, in fact, the majority of NCP "clients" are entry level positions in both professional and administrative streams.

The NCP has potential for broader application; the possibility of a "service-wide" training program should be explored.

CATEGORY REVIEW

REGIONAL DEVELOPMENT AGREEMENTS

PROGRAMS

This category embraces seven federal-provincial (territorial) agreements with 1984/85 expenditures of $532.9 and 28.5 person-years. While none of the agreements are specific to native people, the ones dealt with here have been selected because, in each case, they focus on a region where native people are a significant element of the population. The agreements are as follows.

Canada/Northwest Territories Economic Development Agreement (INAC 81) is a four-year umbrella agreement between the federal and territorial governments which makes provision for the coordination of the economic development efforts of the two levels of government and for the delivery of $21 million of programs through subsidiary agreements on natural resources, tourism, small business and human resource development.

Canada/Northwest Territories Financial Agreement (INAC 105) is a mechanism by which the federal government assists the Government of the Northwest Territories with the costs of providing ongoing "province-like" services to Northwest Territories citizens. (1984/85 expenditures are $384.1 million and 0.5 person-years.)

Canada/Yukon Financial Agreement (INAC 106) is similar to the above but applied to the Yukon. (1984/85 expenditures are $111.5 million and 0.5 person-years.)

Canada/Manitoba Northern Development Agreement (DRIE 990) is a comprehensive five-year, $186.2-million agreement in which a full range of factors affecting economic development are addressed including community services, community development planning, training and placement services. (1984/85 expenditures are $31.6 million and 25 person-years.)

Canada/Manitoba Winnipeg Core Development Agreement (DRIE 989) is a five-year, $96 million tripartite agreement directed toward revitalization of Winnipeg's inner core. While much of the agreement money goes toward capital projects, $15.6 million is directed toward employment and training programs for core area residents of which native people represent a significant element. (1984/85 expenditures for employment program are $4.7 million and one person-year.)

Canada/Saskatchewan Northern Economic Development Agreement (DRIE 988) is a five-year, $36-million agreement focusing on economic and human resource development. (1984/85 expenditures are $1-million and 1.5 person-years.)

Canada/Newfoundland Native Peoples Agreement (INAC 86) provides for delivery of a range of programs to eight Indian and Inuit communities in Newfoundland and Labrador (DIAND expenditures are $7.1 million in 1984/85).

BACKGROUND

Federal/provincial agreements have been used as a regional development tool since the 1960s. They provide a mechanism for improving the coordination of the existing efforts of the two levels of government and for providing custom designed initiatives to respond to specific circumstances.

Because each of the agreements discussed here arises out of negotiations, it is difficult to make broad general statements. Each is unique and a reflection of the circumstances and policies that prevailed at the time of negotiation.

It is difficult to typify the financial agreements with Northwest Territories and Yukon as regional development agreements. They have been included here because they represent significant federal government expenditures in areas where there is a significant native population. However, they are fiscal arrangements designed to give the territorial governments the financial capacity to meet their obligations as fully responsible governments. As such they do not represent a collaborative effort of the two levels of government to jointly plan and implement activities directed at a particular problem. Nonetheless, they represent one end of a federal/provincial spectrum whereby the federal government simply transfers funds to another level of government with minimal input to the details of programs to be delivered.

In the late 1960s and through much of the 1970s, federal/provincial regional development agreements were typically a mechanism of joint planning and funding of programs which were almost totally delivered by provinces. Through the joint planning process the federal government was able to influence the orientation and intensity of provincial efforts devoted to issues of joint concern.

However, because provinces delivered the programs, the perception grew that the agreements were transfer mechanisms to pay provincial governments for programs they would have delivered in any case.

The response to these concerns was an overriding emphasis on direct federal delivery of those things financed by the federal government. With the realization that the federal government is not well equipped to administer many of the programs it has an interest in pursuing, the outgrowth has been a more pragmatic approach.

COMMENTS

The agreements depicted here embrace programs which are totally funded and delivered by one or the other government and those which are delivered by one but funded by both. The advantage of embracing them in cost-shared agreements is that they provide a relatively stable five-year context within which both citizens and government can plan; coordinate the efforts of the two levels of government; provide a basis for standardizing the level of service provided; and minimize duplication and overlap.

The degree to which these advantages are achieved is dependent on two factors: a) the more comprehensive the agreement the better it will serve public needs and make existing programs more appropriate and accessible, and b) the simpler the management structure, the more effectively it can be administered.

The range in size of the agreements discussed here, from $21 million in Northwest Territories to $186.2 million in Northern Manitoba is a function of their comprehensiveness. For example, the Northern Manitoba Agreement incorporates $55.0 million of CEIC and DIAND funds and $32.8 million of provincial funds which would have been delivered in any event but which have been included in the agreement to improve coordination of these activities with new activities introduced by the agreement.

The agreements use a variety of implementation structures. In terms of service to the public, the Northwest Territories agreement uses a "secretariat" which serves as an interface to the public and prepares project proposals for management consideration. Both the Northern Manitoba Agreement and the Winnipeg Core agreement use a special agreement office located in the target areas. The

Saskatchewan agreement will be delivered through existing federal/provincial offices.

In terms of the management and coordination of agreements, all agreements include a policy committee, a managment committee and advisory groups for citizen input. The Northwest Territories Agreement with its use of three subsidiary agreements winds up with three management committees each with its own advisory group. To effect coordination these are overlaid by a committee of agreement managers and a policy committee. The delegation of decision-making within these structures is also critical. In the case of the Winnipeg Core Agreement, the city of Winnipeg did not delegate authority to its officials. Consequently project decisions are effectively made through the city council.

The concept of developing agreements for a set period of time forces governments to periodically reassess the appropriateness of programs, whether the need still exists and whether programs are meeting their objectives. In agreements of a longer duration (five years or greater) a mid term review is sometimes provided for to ensure this process of reassessment.

FINDINGS

No changes to the agreements reviewed are proposed. The study team found these agreements to be mechanisms which, by their nature, minimize duplication and overlap and allow federal and provincial governments to collaboratively focus their respective efforts on issues of mutual concern and to sensitize their program response to regional needs.

Consequently, an expanded use of this mechanism for a comprehensive federal/provincial approach to programming affecting native people is proposed. Greater emphasis is required on keeping the management structure streamlined and the decision-making authority consistent with accountability.

Management principles to be considered in negotiating these agreements have been developed and are presented in Annex I of the Overview.

CANADA/NORTHWEST TERRITORIES ECONOMIC DEVELOPMENT AGREEMENT (INAC 81)

OBJECTIVES

The purpose of the agreement is for DIAND and appropriate sector federal department to enter into subsidiary agreements to jointly fund programming in the development of human resources, natural resources and local markets.

AUTHORITY

Appropriation Act; Department - DIAND.

INTRODUCTION

The financial resources which would be available under the subsidiary agreements are considered essential by the Government of the Northwest Territories given their limited budget and their restricted capacity to address funding of the magnitude that is envisaged.

As almost 60 per cent of the territorial population is native, and in light of the limited educational facilities, absence of extensive income opportunities and unique social and cultural characteristics, it becomes evident that economic development agreements cannot be isolated from the social development factors of such a target population.

The five-year agreement (cost-shared 90:10 by the federal and territorial governments), seeks to address northern concerns of rising costs and declining job opportunities. Oil and gas development, after the construction phase, relies primarily on skilled labour from South of 60, not the local labour market. The intent of the agreement is to strengthen the region's economy through the provision of lasting employment to northerners. National businesses operating in the North are supportive of the development of a stable local labour force in that it would facilitate compliance with federal policies to hire locally and support regional business.

ASSESSMENT

Many northerners, and particularly those who are native, have not been equipped to take advantage of wage-earning and entrepreneurial opportunities. Critical shortcomings in the areas of human resources, domestic market and natural resource development are evident throughout the region.

This program more effectively exploits renewable and non-renewable resources, respects the traditional lifestyle of many native northerners, increases participation rates and helps overcome the cultural and physical isolation that has prevented natives from involving themselves in the wage-earning economy.

There has been and will continue to be, an ongoing need to provide tailored assistance and training programs to offset current economic slowdowns, and to cope with current and future impacts of large-scale hydrocarbon projects.

DESCRIPTION

Expenditures under subsidiary agreements address human resource development, natural resource development and domestic market development.

Recognizing that there are certain structural weaknesses in the territorial economy, a less-skilled labour force, and generally a lack of business ventures, subsidiary agreements will seek to: upgrade skill levels to meet the requirements of a frontier economy, support business initiatives with emphasis on import substitution, create a more relevant data-base with respect to non-renewable and renewable resources and provide northerners with opportunities to develop projects with both wage employment benefits and respect for the traditional native economy.

EXPENDITURES ($ Million)

Subsidiary Agreements	Sub-agreements/Maximum funding				
	83/84	**84/85**	**85/86**	**86/87**	**87/88**
Human Resource Development (CEIC)	-	.6	2.3	1.8	-
Domestic Market Development (DRIE)	.1	3.2	3.4	2.3	.7
Natural Resource Development (DIAND)	.1	1.2	2.2	.7	-

The total cost envisaged through the three subsidiary agreements is $21 million. The Government of the Northwest Territories will contribute 10 per cent of this cost, leaving the balance of $19 million to be covered by the federal treasury.

CONSIDERATIONS

The present agreement will terminate on March 31, 1987, although it is anticipated that some similar initiative is likely to continue with the benefit of five years of performance to assess.

Support for the agreement has come from all sectors of the northern communities, both native and non-native alike. The programs put forth by the subsidiary are assessed to be suitably practical to northern interests and conditions.

The territorial government is most favourable towards these agreements. In consideration of the commitment to the North, the agreements represent on the part of the central government the fact that its representatives were directly involved in their drafting.

ALTERNATIVES

A mechanism to reallocate funds to specific programs in response to changing priorities (the addition of programs or cancellation of those which prove ineffective) is already a part of the present agreement.

The agreement provides for an elaborate policy committee to coordinate the implementation of the agreement. Many advisors and specialists from participant departments regularly attend the committee's meetings. It may be prudent to consider restricting the attendance at committee meetings to only those required to speak on specific agenda items.

FINDINGS

The agreement is well directed in addressing the territorial economy and the potential for its expansion.

The agreement includes adequate provision for evaluation of results and sufficient safeguards to ensure that there are no apparent duplications or overlaps in its programming.

Projects are assessed in terms of size in a realistic manner.

PREFERRED ALTERNATIVE

The agreement is an important means of effecting an economic development strategy in the Northwest Territories and should be allowed to continue to term.

CANADA/NORTHWEST TERRITORIES
FINANCIAL AGREEMENT (INAC 105)

OBJECTIVES

To provide an operating grant and a capital grant to the Government of the Northwest Territories (GNWT) to enable it to provide necessary services to its citizens.

AUTHORITY

Appropriation Act; Deparment - Indian Affairs and Northern Development).

INTRODUCTION

This is an annual financial agreement entered into by the Minister of Finance and administered by DIAND through annual Treasury Board authorities.

ASSESSMENT

The revenue of the GNWT is limited to income tax and some areas of indirect tax such as fuel and liquor. As GNWT takes on more and more of the responsibilities held by the Northern Affairs Program of DIAND, the revenue base generated from their small population (47,000) becomes less adequate to finance the services provided.

DESCRIPTION

The financial provisions of the agreement are designed to offset the shortfall between GNWT expenditures and revenues.

A three-year fixed tax rate formula was negotiated and authority is now being sought through Treasury Board to implement it, beginning in 1985/86.

The methodology of the current agreement is an evolution of earlier techniques. In the early to mid-1970s, agreements were negotiated on a program-by-program basis. By the late 1970s, this had become a more general review in which overall expenditure increases were consistent with Treasury Board guidelines set for all federal departments with adjustments for any devolution of responsibilities.

EXPENDITURES ($ Million)

	83/84	84/85
Grants	356.2	384.1
PYs	.5	.5

OUTPUTS

Provision of a broad range of services to residents of Northwest Territories.

CONSIDERATIONS

The financial agreement is a grant similar in concept to equalization payments to provinces.

The concept of a fixed tax rate formula has the potential to: i) reduce friction between territorial and federal governments; ii) provide an incentive to territorial governments to generate revenues through their own taxation; iii) permit longer-term planning; and iv) make the territories more accountable for their decisions and priorities.

ALTERNATIVES

In the interests of continuity while implementing the new arrangements, no changes to the administrative arrangement should be undertaken at this time.

Following culmination of current agreements, consideration could be given to transferring the administrative function to the Department of Finance to clarify accountability and move the Territories into the realm of federal/provincial transfers. Cost-savings would be negligible and recognition of the unique nature of territorial expenditures and revenues would have to be retained.

CONCLUSIONS

The process of negotiation is a fiscal one and makes no attempt to target programs. Therefore, it should not be considered under the mantle of native programs but should be considered under transfer to provincial governments or provincial equalization payments if these are considered in future.

PREFERRED ALTERNATIVE

Leave as is for now. Consider transferring the administration of the agreement from Northern Affairs to the Department of Finance in three years' time.

CANADA/YUKON FINANCIAL AGREEMENT (INAC 106)

OBJECTIVES

To provide an operating grant and a capital grant to the Government of Yukon to enable it to provide necessary services to its citizens.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development)

INTRODUCTION

This is an annual financial agreement entered into by the Minister of Finance and administered by DIAND through annual Treasury Board authorities.

ASSESSMENT

The revenue of the Yukon Government is limited to income tax and some areas of indirect tax such as fuel and liquor. As the Yukon Government takes on more and more of the responsibilities held by the Northern Affairs Program of DIAND, the revenue base generated from their small population (23,000) is inadequate to finance the services provided.

DESCRIPTION

The financial provisions of the Agreement are designed to offset the shortfall between Yukon Government expenditures and revenues.

A three-year fixed tax rate formula was negotiated and authority is now being sought through Treasury Board to implement it, beginning in 1985/86.

The methodology of the current Agreement is an evolution of earlier techniques. In the early to mid-1970s, agreements were negotiated on a program by program basis. By the late 1970s this had become a more general review in which overall expenditure increases were consistent with Treasury Board guidelines set for all federal departments with adjustments for any devolution of responsibilities.

EXPENDITURES (\$ Million)

	83/84	84/85
Grants	105.8	111.5
PYs	.5	.5

PROGRAM OUTPUTS

Provision of provincial type services to residents of Yukon.

CONSIDERATIONS

The financial agreement is a grant similar in concept to equalization payments to provinces.

The concept of a fixed tax rate formula has the potential to: i) reduce friction between territorial and federal governments; ii) provide an incentive to territorial governments to generate revenues through their own taxation; iii) permit longer term planning; and iv) make the territory more accountable for its decisions and priorities.

ALTERNATIVES

In the interests of continuity while implementing the new arrangements, no changes to the administrative arrangement should be undertaken at this time.

Following culmination of current agreements, consideration could be given to transferring the administrative function to the Department of Finance to clarify accountability and move the Territory into the realm of federal/provincial transfers. Cost-savings would be negligible and recognition of the unique nature of territorial expenditures and revenues would have to be retained.

CONCLUSIONS

The process of negotiation is a fiscal one and makes no attempt to target programs. Therefore it should not be considered under the mantle of native programs but should be considered under transfer to provincial governments or provincial equalization payments if these are considered in future.

PREFERRED ALTERNATIVE

Leave as is for now. Consider transferring the administration of the agreement from Northern Affairs to the Department of Finance in three years' time.

CANADA/MANITOBA NORTHERN DEVELOPMENT AGREEMENT (DRIE 990)

OBJECTIVES

To develop locally based income and employment opportunities; to increase labour-force participation, particularly in major resource sectors; and to remove physical barriers to human and economic development.

AUTHORITY

Canada/Manitoba General Development Agreement; Department - Regional Industrial Expansion.

INTRODUCTION

The five-year agreement (1982-1987) is part of a 15 year development strategy to focus on the extreme socio-economic disparity encountered by Manitoba's northern and remote communities. About 47,000 people in many small communities and reserves are affected.

Eight years of programming under two previous Northland Arrangements (1974-1976 and 1976-1982) were geared to de-isolation of the communities via construction of transportation and communication projects, preparation of communities and individuals for future northern employment prospects and building basic community infrastructure.

Five bands covered by the four-party (Hydro, Province, Northern Flood Committee, and Canada) Northern Flood Agreement are situated in northern Manitoba. The agreement has social and economic measures designed to mitigate the negative effects of the flooding of reserve land and traditional hunting, fishing and trapping territory. Some of these measures are similar to program elements of the Northern Development Agreement.

ASSESSMENT

The northern economy is beset by major difficulties caused by the soft world markets for minerals and forest products and deferral of hydro projects. A limited natural resource base and high unemployment (60 to 90 per cent) in remote and native communities present additional barriers. In addition, the northern labour force is growing well above the province's growth rate; it is expected to increase from 18,000 to more than 31,000 from 1978 to 1993, adding to the problems facing northern Manitobans. Concerted action to prepare the communities for new economic development prospects is considered imperative.

DESCRIPTION

Three federal departments (DRIE, CEIC & DIAND) along with the provincial government are committed to delivering 18 program services, 15 per cent capital and 85 per cent non-capital. The bulk of the federal resources are grants and contributions to provinces, communities, businesses, local native and northern organizations and individuals. The total federal and provincial financial balance in the agreement is as follows:

		($ Million)	Percentage
a.	Federally funded and delivered	82.5	44.3
b.	Cost-shared and federally delivered	3.5	2.0
c.	Cost-shared and provincially delivered	67.4	36.1
d.	Provincially funded and delivered	32.8	17.6
		186.2	100.0

While CEIC ($40 million) and most of the DIAND funds ($15 million of $22.2 million) are within approved expenditure levels, DRIE funds (to $62.8 million including the $7.2 million transferred to DIAND) are new resources granted by Cabinet. The program activities include: community economic development planning, special development measures in northeast Manitoba; placement services; training and relocation expenses; capital to support businesses until they are self-sufficient; and community services on and off Indian reserves.

Federal implementation staff are based at Thompson, Manitoba. Twelve new person-years have been added to DRIE's resources to undertake their tasks. One-hundred term person-years were approved by Treasury Board in October, 1983 to increase the number of native persons in technical positions in the federal government.

EXPENDITURES

	83/84	84/85	85/86	86/87	87/88
($ Million)	29.5	31.6	25.0	26.3	0.0*
PYs					
(Indeterminate)	15	25	25	15	0.0*
(Term)	15	35	35	15	0.0

* Some person-years and financial resources will be required to reimburse the province and wrap up the CMNDA but these have not been forecast.

CONSIDERATIONS

Under two previous Northlands Agreements totalling $162.9 million, the federal government provided 60 per cent of the resources, but apparently had little real leverage over programs delivered by the province. It was decided to escalate federal delivery in the Canada/Manitoba Northern Development Agreement (CMNDA) and consequently more federal management is apparent (about 45 per cent or $86 million). Even so, $69.4 million would have been delivered by DIAND and CEIC. DRIE administers the cost-sharing arrangements and acts as the lead federal coordinator of the agreement, but has little direct service delivery responsibility (less than 8 per cent).

Fifty community plans were prepared under the northlands agreements, but it appears these plans are either out of date or inconsistent with current community goals. The plans are not regularly used to drive resource allocation or to balance northern development under the CMNDA. An elaborate management and advisory committee structure provides the necessary planning and coordination functions to the CMNDA.

A major goal of the agreement was to maximize employment opportunities of major resource development projects, specifically mining, forestry and hydro-development. Unfortunately, the hydro ventures have not materialized and therefore CMNDA plans to capitalize on mega-project development have been derailed. The recent Limestone hydro development tender call by the province could provide an impetus to northern development. However, CMNDA spin-offs from the project are limited because the agreement will be winding down before 1987, just at a time when peak hydro construction can be anticipated.

Actual federal expenditures for 1982/83 and 1983/84 were $38.4 million, some $4.7 million under the planned target. Provincial expenditures were $14.2 million for a federal/provincial total of $52.6 million which is below the targeted level of an estimated $60 million. Considering the 1984/85 expenditures are also expected to be lower than planned by at least $7 million (probably more), the CMNDA seems to be behind schedule by about $15 million. The federal under-utilization of funds is in part due to the province not keeping pace (60 per cent cost-sharing) with its planned activities and the late start in implementing the CMNDA.

The Norway House, Cross Lake, York Factory, Split Lake and Nelson House Bands represent about 15 per cent of the CMNDA targeted population. These bands were to receive enriched benefits under the Northern Flood Agreement signed in December 1977, and it therefore appeared they would enjoy a measure of economic opportunity other northern communities could not expect (unfortunately this has not been the case to date). Nonetheless, it was decided to maintain a non-discriminatory, even-handed policy towards these communities. Even last summer's federal announcement to honour federal commitments ($70 million over five years) has had no impact on CMNDA plans.

Internal progress reports made available to the study team do not include information on labor force participation rates, unemployment, major capital projects, or strategies to link CMNDA plans to mega-project or major natural resource development.

The agreement provides $62.8 million additional federal dollars into the region and offers the possibility of more coordinated efforts. It is clear that DIAND and CEIC programs would have been implemented without the CMNDA (perhaps with less impact and benefit).

There appears to be considerable native community involvement in the CMNDA, but local level decision-making is not evident. The involvement is advisory in nature, except for actual program participation.

Since the DRIE office coordinates much of the northern economic development program, there appears little possibility of duplicative efforts with Special ARDA or NEDP. In fact, some CMNDA projects are jointly sponsored with Special ARDA.

ALTERNATIVES

Increased use of approved community plans and programs prepared and submitted by communities and grant financing to execute approved projects could achieve two objectives:

1. place more decision-making at the local level; and
2. assure spending levels are met (at least in strategic or sectoral areas managed by local authorities).

Since there is little more than two years left in the CMNDA, this suggestion may not be as advantageous as it could otherwise have been. Even so, it may deserve consideration as a foundation for the federal/provincial strategy after the CMNDA expires.

The nine-year Limestone Hydro project is an estimated $3 billion venture which will generate approximately 1,800 person-years of employment at its peak in 1988. Consequently, a major reprofiling of federal and provincial funds and extending the CMNDA to ensure maximum coordination with this mega-project would likely produce a higher return for funds invested than "soft" locally-based economic development programs or short-term, job-creation measures. Pursuing such a change in course and altering current CMNDA plans and strategies would likely prompt negative reaction from community leaders looking at the long-term vitality of their respective areas. The re-targeting of funds would likely be viewed as a depletion of anticipated revenue into communities not expecting to benefit from the project. A new CMNDA policy giving priority to individual and community proposals which connect plans to the Limestone Hydro project will also be necessary.

Where annual federal expenditures are appreciably lower than target levels (plus 10 per cent or several millions), federal ministers should approve a new expenditure program under the CMNDA or similiar agreements, especially when it appears a major economic stimulus is emerging.

Maintain current programming with minor reprofiling of CMNDA funds to capitalize on Limestone.

Streamlined management and coordinating functions could enhance efficiency of delivery and the agreement's responsiveness to emerging opportunity.

CONCLUSIONS

The marshalling of federal/provincial resources to meet similar socio-economic objectives and coordinate activities within "hardship" geographic areas is laudable and seemingly necessary to meet the longstanding agreement of the federal-provincial parties. It is unclear, though, how the governments intend to withdraw from the area after 13 years of direct programming and financial support. The possible use of tax expenditure policy, or low-interest loans to encourage private sector investment and small business development to complement major resource development initiatives should be examined. In addition, more aggressive affirmative action plans with the major companies attracted to the North and a preferential northern products and services policy may also be worth considering.

PREFERRED ALTERNATIVES

Re-vamping of the current CMNDA is warranted to capitalize on the Limestone project. A federal/provincial memorandum of understanding as an adjunct to the CMNDA is suggested. In addition, a detailed report on businesses subsidized, an evaluation of businesses which will become self-sufficient and jobs created/generated by industrial sector of the agreement should be undertaken as soon as possible.

Undertake an internal review of the management and coordination structures with a view to streamlining, simplifying, and clarifying accountability.

CANADA/MANITOBA WINNIPEG CORE AGREEMENT (DRIE 989)

OBJECTIVES

To revitalize the Winnipeg core area through measures designed to: i) provide increased employment opportunities; ii) encourage appropriate industrial commercial and residential development; and iii) facilitate the social and economic participation of core area residents in development opportunities.

AUTHORITY

Public Service Rearrangement and Transfer of Duties Act (1984); Department - DRIE.

INTRODUCTION

This agreement is focused on downtown revitalization, rather than native people. It has been included because of the unique way in which downtown revitalization has incorporated the residents of the area, a significant portion of whom are native people. The program assessment, therefore, concentrates on the Employment and Affirmative Action Program which is the vehicle by which capital projects and people projects have been brought together.

ASSESSMENT

The core area of Winnipeg has experienced a growing disparity vis-à-vis the rest of the city. In 1951, there was an 11 per cent income differential between the core area and other city households. By 1978, the average income from employment was 32 per cent lower in the core area. The demographic composition has also shifted with a regular migration of native people, mainly younger individuals and families from rural areas into the core. An estimated 6,000 to 8,000 persons require continuous social assistance and 43 per cent of native families have single parents.

DESCRIPTION

Part of an overall $96 million agreement which includes major redevelopment initiatives, the Employment and Affirmative Action Program ($15.6 million) is designed to maximize the involvement of core-area residents in employment opportunities arising from capital initiatives, to increase residents' participation in available jobs and, where necessary, to enhance access to these employment opportunities through support to on-the-job training.

The program focuses on:

1. core-area residents with emphasis on those with special needs. Target groups include native people, single parents, youth and refugees; and

2. innovative employment projects sponsored by industry, community groups and city or provincial agencies.

Efforts are guided through a strategy developed by CEIC and delivery is effected through a Special Needs Office located in the core area.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Employment Program	2.7	4.7	4.2	1.3	.4
PYs	1	1	1	1	1

OUTPUTS

The agreement was entered into in September 1981 and runs until March 31, 1985. To date $6.7 million has been expended through the Employment and Affirmative Action Program. The major component of this program at $4.2 million has been training programs coordinated by a special Core Area Training Agency. To date they have entered into 38 training contracts with employers for 517 positions. Private sector arrangements account for 58 per cent of this activity. Of the 232 persons who have been trained, 150 have permanent employment and include such examples as IGA store management, CBC radio broadcasts, city bus drivers, Chamber of Commerce sponsored metal trade workers and home renovation specialists, Manitoba Telephone System employees, etc.

CONSIDERATIONS

Limited job opportunities in native communities have resulted in significant increases in native migration rates to cities, particularly in western Canada and some centres in Ontario.

Faced with limited job experience and a shortage of skills, the hope to find employment quickly deteriorates and a rapidly increasing segment of permanently unemployed urban natives has emerged.

The Winnipeg Core Agreement represents a mechanism by which access to both existing employment opportunities and those being generated by capital projects in the agreement is being found for core-area residents through the Employment and Affirmative Action Program.

A mid-term evaluation is in the process of completion but is not yet available. Preliminary information indicates that 39 per cent of beneficiaries are native people. Twenty-one per cent are single parents and 26 per cent are under 24 years of age. On the basis of the limited information available, he program appears to have made major strides in increasing the participation of core area residents in "real" and visible jobs.

The agreement's management mechanism is extremely cumbersome, requiring agreement from all three parties on projects/issues, while decision-making capacity has not been delegated to the appropriate level in all instances. For example, the City of Winnipeg has not delegated project-approval authority with the result that projects must be approved through City Council. The forced unanimity of this structure appears at least to have improved effectiveness although at some cost to efficiency.

ALTERNATIVES

No changes are recommended as the agreement is a multi-party, multi-year arrangement which is entering its final year.

CONCLUSIONS

This agreement appears to be achieving its objectives of including core-area residents in the revitalization of the area in which they live. The Employment and Affirmative Action Program and the establishment of the Special Needs office appear to be key links in this process.

PREFERRED ALTERNATIVE

The concept of the agremeent could serve as a model for federal, provincial, municipal and private sector collaboration in addressing emerging urban issues. In this regard, careful attention should be paid to the management structures considered.

CANADA/SASKATCHEWAN NORTHERN ECONOMIC DEVELOPMENT AGREEMENT (DRIE 988)

OBJECTIVES

To develop locally based income and employment opportunities, and to improve access to other employment.

INTRODUCTION

The five-year Canada/Saskatchewan Northern Economic Development Agreement (CSNEDA) follows two previous Northlands Agreements (1974-78 and 1978-83) which provided more than $159 million in program expenditures. Federal program costs totalled $100 million delivered by DRIE, MOT, DIAND, and CEIC. These agreements improved highways, airstrip services, and water and sewer systems. They provided financial assistance to the emerging wild-rice operations, fishing and forestry initiatives; they enhanced community physical land use, and economic planning, and provided training, education, relocation and placement services.

ASSESSMENT

The Northern Saskatchewan resource economy is a mixture of industrial and traditional harvesting activities. While these industries employ a large number of people and generate considerable revenue, a large part of the northern labour force remains unemployed and income levels are very low. Further development of local industries and the northern labor force to address the enduring social and economic problems of the region are considered necessary.

DESCRIPTION

The CSNEDA is a $36-million subsidiary agreement signed August 31, 1984 between the federal and provincial governments. DRIE contributes $18 million and the province provides a matching share. No other federal departments are involved.

Consistent with the umbrella Economic and Regional Development Agreement, the CSNEDA provides financial assistance and program support to selected economic development, human resource development and capital projects. It is designed to supplement other federal and provincial programs.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87
Salaries and wages*	-	0.1	0.1	0.1
O&M*	-	0.1	0.1	0.1
Contributions*	-	1.3	2.8	3.8
Capital	-	-	-	-
	-	1.5	3.0	4.0
PYs	-	1.5	3.0	3.0

* Estimated.

Note 1987/88 and 1988/89 levels are $4 million and three person-years; 1989/90 level is $2 million and 1.5 person-years.

OUTPUTS

The agreement has not yet provided any financial assistance to beneficiaries.

CONSIDERATIONS

High levels of unemployment (10 to 90 per cent in different communities and reserves) and low skill and education levels (70 per cent have less than grade 12) preclude northerners from northern jobs (5,000 are filled by southerners).

The population growth is twice the provincial average and about 1,500 northerners will enter the labor force each year. Two-thirds of the estimated 30,000 people living in more than 40 communities are native.

Unlike the Manitoba Northern Development Agreement (similiar intent), no CEIC or DIAND program delivery activities or finances are included.

The level of federal and provincial financial expenditure and federal organizational support is much less than the Manitoba Northern Development Agreement (about $60 million each), yet it seems the poor social and economic conditions are comparable in both northern regions. The reasons for such a planned expenditure difference is unclear and cannot be easily substantiated in terms of overall need. Perhaps the capital infrastructure is more advanced in Saskatchewan and other provincial programs are meeting certain social and economic problems, but this can not be validated with certainty.

Management and co-ordination machinery appear very streamlined and economical. Unlike the Manitoba Agreement, the Program Advisory Committee representatives are non-political.

The financial breakdown of the agreement is:

($ Million)

Program	**Federal**	**Cost-Shared**	**Provincial**	**Total**
Economic Development	11.0	0.0	4.7	15.7
Human Resource	3.0	2.5	11.0	16.5
Capital works	1.7	0.0	0.0	1.7
Management	.95	.2	.95	2.1
TOTAL	16.65	2.7	16.65	36.0

ALTERNATIVES

Considering the small relative annual federal expenditures and person-year support, and the early stage of the agreement's implementation, the federal delivery responsibilities could be transferred to the province. This would require amendments to the agreement, but could prove to be a more efficient and effective delivery approach. It should be recognized that the province has a very large complement of employees in the northern communities and could be in a better position to assess progress and suggest necessary adjustments to projects approved under the agreement.

Full provincial delivery would obviously camouflage the federal presence at the local level. In addition, band resistance to provincial delivery on-reserves may not be surmountable. In this case, federal delivery may be necessary until agreements or arrangements can be made between bands and governments to facilitate a provincial-lead delivery approach.

PREFERRED ALTERNATIVE

Maintain the current federal/provincial arrangement and build into the evaluation framework a requirement to assess the delivery approach and compare it to the Manitoba Northern Development Agreement.

CONCLUSIONS

The Saskatchewan agreement appears both less complex and administratively simpler than other similar federal/provincial agreements of this nature. Depending on its success, it may prove to be an improved strategy which future provincial northern development efforts could follow.

CANADA/NEWFOUNDLAND
NATIVE PEOPLES AGREEMENTS (INAC 86)

OBJECTIVES

To provide for the delivery and cost-sharing of designated programs to eligible communities with substantial native population in Newfoundland and Labrador.

INTRODUCTION

These agreements were signed on July 4, 1981 and remain in force for a five-year period ending March 31, 1986. The federal government and the province respectively share 90 per cent and 10 per cent of the costs of programs and services to native people in eligible communities, with the province assuming 100 per cent of the costs of the same programs and services for non-native residents of the community.

ASSESSMENT

The beneficiaries are Indians of three communities and Inuit of five communities in Newfoundland and Labrador. These communities have been and continue to be among the poorest in Canada. This program, together with the Labrador Airstrip Program, has as an objective some degree of economic independence for these communities. The need will probably continue to exist long after this agreement expires.

DESCRIPTION

The agreement includes five programs:

1. community and economic development;
2. Education;
3. fisheries;
4. housing; and
5. northern development.

The implementation and administration of the agreement is the responsibility of the Newfoundland Department of Rural, Agricultural and Northern Development and the Department of Indian Affairs and Northern Development representing the Government of Canada.

EXPENDITURES ($ Million)

	83/84	**84/85**
Grants/Contributions	2,537	7,100

CONSIDERATIONS

There have been a number of problems in the implementation of the agreement. Newfoundland does not share DIAND's and the communities' view that program objectives be established and defined by the communities themselves. Financial reporting has been incomplete both by the province and by the communities. The province has withheld payments because communities failed to meet the conditions placed on them, causing DIAND to step in.

To complicate the issue, the community of Conne River is in the process of being established as an Indian reserve, an action disputed by the provincial government.

ALTERNATIVES

The agreement could be terminated, though this action could hurt the native people who receive benefits under this agreement.

The agreement could be renegotiated in order to solve some of the implementation problems and respect the concerns of the Newfoundland government about the creation of a reserve at Conne River. Given the short time remaining in the agreement, this would not seem worthwhile, although the problem must be addressed over the longer term.

CONCLUSIONS

Despite the problems of implementation, the native people are deriving significant benefit from the agreement, although the problems will exist well beyond the life of the current agreement.

PREFERRED ALTERNATIVE

The Canada Newfoundland Native Peoples Agreement should be continued but renegotiated to improve implementation and take provincial views into account.

CATEGORY REVIEW

MAJOR RESOURCE DEVELOPMENTS

PROGRAMS

Four programs which mitigate the impact on native people of major resource developments are provided by DIAND at a total 1984/85 budgeted cost of $15.5 million and 25 person-years.

Northern Participation in Public Reviews (INAC 77) funds native groups (North of 60) to participate in the planning and consultative process for northern developments ($.7 million; six person-years).

Resource Development Impacts Program (INAC 303) funds native groups (mostly South of 60) to assess the impact of projects and negotiate economic benefits and compensation for unfavourable effects of development projects ($6.6 million; four person-years).

Norman Wells Impacts Program (INAC 232) monitored the regulatory requirements and managed the community impact and training programs arising from the oilfield and pipeline project ($7.2 million; six person-years).

Canada/Manitoba Northern Flood Agreement (INAC 990) provides funds to improve the social, economic and physical conditions of five bands affected by provincial hydro electrical development ($1.4 million; eight person-years).

AUTHORITY

Appropriation Act.

BACKGROUND

Since the early 1970s the government has been funding native groups to research the impact that resource development projects will have on their communties, and to intervene at regulatory hearings to protect native interests. The programs now support natives and northerners in negotiations with project developers in order to obtain positive benefits for people and communities affected by the developments.

Some of the projects require agreement with provinces/territories for exchange of land and provision of services so that people can be relocated.

The extension of the Norman Wells Northwest Territories oil field, and the related pipeline installation, was supported with an impact program which included regulation, socio-economic adjustment and worker training. The pipeline will be completed in mid 1985.

In 1977, an agreement between DIAND, the Government of Manitoba, Manitoba Hydro and five Indian bands provided new land and a program to mitigate the effects on lifestyle that resulted from the flooding of the Churchill and Nelson rivers. This agreement was reached after hydro projects were well advanced. The implementation has been difficult. Progress has been slow and many outstanding claims have been passed to arbitration. The land exchange has not been settled by Manitoba and the five bands. The full cost of settlement is in the range of $340-550 million, about 25 per cent of which is the responsibility of the federal government.

There are 50 major resource projects in various stages of development, and a larger number of small projects, which may affect thousands of native people. The need for an impact program will continue indefinitely.

COMMENTS

There has been substantial progress in the last two decades in getting developers to recognize the adverse effects that projects have on natives and to provide employment and economic opportunities for local residents. Notwithstanding progress, very few natives have permanent jobs in resource development.

Despite the spending of more than $20 million on the Norman Wells Impacts Program, fewer than 30 per cent of the project work force were natives.

A significant improvement in the proportion of jobs and opportunities available to natives from projects requires a greater acceptance by developers of the need for them to take the lead role in solving the problem. The Northern Flood and Norman Wells examples demonstrate that unless a comprehensive plan to involve and employ natives is formulated by the developer very early, the projects are built with transient construction workers and operated by non-natives.

DIAND operates two parallel programs with the same purpose. North of 60 the program is managed by Northern Development; South of 60 by Indian Affairs.

The Manitoba Flood Agreement is an example of a process that has not worked. It was negotiated at too late a stage; the negotiation did not conclude on all of the issues nor did it establish an appropriate implementation mechanism. As a result, ongoing administration is costly and little progress is being made. Expenditures on other federal programs have been lower in these five communities than in the rest of northern Manitoba since the agreement was signed.

FINDINGS

The necessity for parallel programs should be examined immediately. The objectives of the program(s) should be limited to the type and size of projects which offer significant employment and economic opportunities or have serious harmful effects.

Ministers and senior officials should take an active role with the provinces and the developers to gain a national commitment to improving native economic opportunity.

The Resource Development Impacts Program should be limited to the funding of projects that can demonstrate significant economic opportunities or create serious adverse impacts.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

Combine the Indian Affairs and Northern Development impacts programs.

Discharge the federal obligation to the five Manitoba bands (Flood Area) to provide the services promised in the agreement with a negotiated cash settlement and concurrently execute the land transfers with the Government of Manitoba.

NORTHERN PARTICIPATION IN PUBLIC REVIEWS (INAC 77)

OBJECTIVES

To facilitate joint planning and consultation between governments and native people on northern projects and development issues

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

Native organizations receive funding from Indian Affairs and Northern Development to participate in the planning, management and consultative process related to northern developments with emphasis on renewable resources.

ASSESSMENT

Participation by northerners in public intervention processes and forums is considered essential to ensure their interests are taken into account as major developments proceed in the North. Costs have increased due to the complexity and duration of public review processes in the North.

DESCRIPTION

Contributions are provided to native and non-native groups to participate in formal public review hearings and consultation processes (National Energy Board, Environmental Assessment Review Panel [EARP], North Slope) on northern development proposals.

For the Beaufort Sea EARP, FEARO established an independent funding committee to manage FEARO intervenor funding provided by DIAND. This committee received and reviewed funding applications and allocated funds.

Individual contributions do not exceed $50,000 and will be provided up to a maximum of $400,000 for a single group. Funds are used for salaries, consultancy fees, legal fees, travel, telephone, supplies and office overhead.

EXPENDITURES ($ Million)

	83/84	84/85
Salaries and Wages	.1	.3
O&M	.1	.1
Grants/Contributions	.2 *	.1
Capital	-	-
TOTAL	.3	.6
Revenues	-	-
PYs	7	7

* decrease in funding level due to decreased activity as hearings drew to a close.

OUTPUTS

Active participation of native people in consultative processes relating to northern developments (emphasis on renewable resources).

Reports submitted by recipients assist the federal government in responding to the concerns and needs of native groups (i.e. impact on lifestyle or traditional pursuits, etc.).

Information on specific benefits accruing to native people as a result of their participation in review processes is not available.

OBSERVATIONS AND CONSIDERATIONS

Level of activity in the program is difficult to project, given lengthy public review processes and the subsequent difficulty in sustaining participation of groups at all phases.

A preliminary evaluation indicates that there are a number of alternative methods to the Northern Program's existing administration of intervenor funding. A full evaluation is now underway.

Seven other federal departments and the Indian Program also provide intervenor funding (native people may be eligible) to participate in regulatory processes. Consideration should be given to whether the unique needs of native people should continue to be addressed by DIAND or by the relevant regulatory body.

A preliminary evaluation of the Beaufort Sea review process concludes that the year-by-year review of applications for funding discourages substantial infrastructure development in native organizations.

ALTERNATIVES

Program alternatives could be explored in the context of findings of the Regulatory Reform Task Force.

The program is currently undergoing an internal evaluation in the Northern Program. The terms of this evaluation could be expanded to include the Indian Program's activities (see Economic and Resource Development), to determine whether consolidation of the two programs is feasible.

More priority could be placed on participation in review processes from which specific economic benefits which might accrue to native people as a result of their participation in review processes.

CONCLUSIONS

The program should be viewed in the context of overall federal policy on public participation in regulatory review processes and administration of intervenor funding.

PREFERRED ALTERNATIVE

In the interim, similar activities in both the Indian and Northern programs should be consolidated.

RESOURCE DEVELOPMENT IMPACTS PROGRAM (INAC 303)

OBJECTIVES

To support increased Indian and Inuit involvement in major resource development so as to maximize the economic and employment benefits and mitigate the adverse social, economic and environmental impacts of these developments to Indian and Inuit people, their culture and their lands.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development

INTRODUCTION

In the 1970s, resource development projects which affected native communities were met with ad hoc responses by regional offices of Indian and Inuit Affairs. As the number of projects increased, a more coordinated approach was sought. In 1980, a Resource Development Impacts Directorate (RDID) was established within the DIAND headquarters.

Special funding of $2 million was injected in 1981/82, which has since been increased and extended to provide $14.5 million for the three-year period ending March, 1987.

ASSESSMENT

There are approximately 50 major resource projects, which will affect native communities in various stages of development. The adverse effects and the opportunities need to be studied, followed by negotiation with developers.

Those natives who are employed on resource projects usually work for short periods in jobs requiring low skills.

The need will continue indefinitely.

DESCRIPTION

The program provides a headquarters group which monitors resource projects and establishes standards for grants in support of (native groups and) Indian bands.

The grants to Indian and Inuit people are used to determine the impact of the developments, negotiate development agreements with project sponsors, intervene at regulatory hearings and inform communities about the project impacts.

EXPENDITURES ($ Million)

	84/85
Salaries and Wages	.4
O & M	.2
Contributions	6.0
Capital	
PYs	4

OUTPUTS

The present program, or similar activities which precede it, has resulted in some, or all, of the program objectives being met in a number of projects. Examples are:

Key Lake Uranium Mine
Detour Lake Gold Mine
Syncrude Oilsands Mine
Cluff Lake Uranium Mine
Burns Lake Sawmill
Cullaton Lake Gold Mine

A significant part of the effort is spent in preparation of projects that are not implemented. Examples are

The Alsands Project
Westcoast LNG Export

A March 1983 evaluation indicates that funded projects focused on short-term benefits and lacked an overall strategy for achieving long-term benefits.

During 1984/85 the directorate will provide funding totalling $5.0 million to 92 projects.

CONSIDERATIONS

While resource development projects provide important opportunities for increased participation of natives in economic activity, the extent of the participation depends on two key factors.

1. The willingness of the developers to accept native participants.

2. The ability of native communities and organizations to represent their interests effectively.

Over the past decade, there has been a greatly increased awareness of the need to provide opportunities for natives in resource developments. The improvement is, to a large extent, the result of direct action by the federal government and action by the natives which have been funded by government.

There is a continuing role for government to oversee the activities of developers and to promote the interest of native people.

The extent of this role depends on the attitudes of developers. If developers believe that the "native problem" is a federal government problem, this program is not sufficient to make a major improvement in opportunities for natives. A sustained effort by project sponsors would be much more effective in achieving solutions rather than the interventionist type of activity that this program produces. The sponsor's interest must extend beyond the large companies to contractors and suppliers of services, who control most of the opportunities for job entry. There must be provisions in job descriptions and collective agreements that provide reasonable opportunities for native workers who are new to the work force.

Actions which have halted or delayed major projects have clarified how project-backers' interests are served by voluntary action to provide opportunities for Indians. The continued interest of governments stems from the fact that their objectives are also served by action on this front.

There are a number of points in the development of projects where the developer must deal with governments, extending from right of access and exploitation to the acquisition of approvals to develop, process, transport and export the products. Some of the activities are regulated by provincial governments. These contacts with governments are opportunities for them to ensure that developers are providing for the interests of native peoples in the project.

In those situations in which the natives hold the title, or some comparable bargaining position, it has been possible to negotiate development agreements which require the project sponsor to provide employment, infrastructure and economic development opportunities. The negotiation of such agreements has been the most important consequences of this program.

If the principal tools to achieve the program objectives are intervention and supervision, the implementation of the program must be supported with training programs which will deliver high-quality workers and with field supervision capacity to monitor the progress of individual projects.

The program has not had clear terms of reference. Funded projects have ranged from manpower inventories of individual bands to financial support for a joint venture to supply services to a resource project.

The Northern Development Division of DIAND operates a similiar program (INAC 305) for the areas of Canada North of 60. Coordination at the regional level is required to prevent overlapping.

The program interfaces with several departments within DIAND -- with Environment Canada, Health and Welfare, Agriculture Canada, CEIC, EM&R, FEARO, MOT, Fisheries and Oceans, Social Development, DRIE, and Secretary of State -- and with provinces on matters concerning resource development regulation, fishing, hunting and environmental impacts.

ALTERNATIVES

The achievement of program objectives could be left entirely to the regulatory process and the bargaining opportunities that arise from developers interfacing with governments. This alternative would depend on the provinces sharing the program objectives.

CONCLUSIONS

The program is necessary. It should be focused on long-term objectives. The requirements for funding should eliminate projects that cannot demonstrate significant opportunities or serious adverse impacts.

A significant effort needs to be made to have the responsibility for the program objectives accepted by developers as their own program.

PREFERRED ALTERNATIVE

Continue the program with a more precise focus on results and early involvement of developers and provincial governments as appropriate.

NORMAN WELLS IMPACTS PROJECT (INAC 232)

OBJECTIVES

To manage the impact of the field enlargement and pipeline project on the northern communities.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

This is a specific project approved to spend $21.4 million related to the development of the Norman Wells Oilfield.

ASSESSMENT

There was a regulation requirement as well as a need to reduce negative impacts on the nearby northern communities.

DESCRIPTION

The project started in May 1982 and will be completed in mid 1985.

The funds are provided for:

	($ Million)
Regulation	1.6
Social impact adjustment	9.5
Training	9.0
Joint venture drilling Co.	1.5
TOTAL	21.4

The implementation required close liaison between DIAND, CEIC, the Government of the Northwest Territories, the representatives of native organizations and the project sponsors, ESSO and Interprovincial Pipeline Limited.

Project sponsors were required to negotiate with separate groups of DIAND officials North and South of 60.

EXPENDITURES ($Million)

	84/85
Salaries and wages	.2
O&M	
Contributions	7.0
Capital	
PYs	6.0

PROGRAM OUTPUTS

There has been efficient and effective control of the regulation requirements.

There has been minimum socio-economic impact on the communities.

A joint venture drilling company has been established with Esso and natives as partners. Twenty-three natives work for this company.

Fifty-two per cent of oilfield work and 70 per cent of pipeline work has been by northern residents.

Six-hundred-and-nine workers were trained to do pipeline work.

CONSIDERATIONS

About 10 per cent of the total value of the project was spent to employ northerners or to purchase services from northerners. There is no measure of how much northern participation the program encouraged.

Native employment was less than 30 per cent of northern employment.

The ratio of income earned from the project by natives to the cost of the project for training and social adjustment measures is low, suggesting that more efficient means of obtaining support for native participation are required.

The post-completion evaluation should assess the effectiveness of the expenditures for training and community adjustment activities.

CONCLUSION

The private sector developers could have been required to deliver the results which were achieved without the amount of oversight involved in this project.

The social adjustment and training expenditures were high for the result achieved.

Separate negotiations to arrange mitigative measures with federal officials North and South of 60 appear to have been an unnecessary complication for project sponsors.

PREFERRED ALTERNATIVE

Let the agreement run its course.

CANADA/MANITOBA NORTHERN FLOOD AGREEMENT (INAC 990)

OBJECTIVES

To improve the social, economic and physical conditions of five Indian bands adversely affected by the construction of a provincial hydro development project.

INTRODUCTION

In December 1977 the province, Manitoba Hydro, DIAND (on behalf of Canada) and the Northern Flood Committee representing five bands comprising about 7,500 Indians signed the agreement. It was designed to alleviate the effects of the flooding of 20 per cent of the reserve land-base, as well as the permanent disruption of community lifestyles and future economic opportunities.

ASSESSMENT

There are both specific and general obligations in the Northern Flood Agreement (NFA) which require federal action in cooperation or collaboration with the province and/or Manitoba Hydro. None has yet been implemented.

DESCRIPTION

The NFA has an estimated potential cost for all parties with an upper limit of $550 million over the life of the project. Federal government obligations are estimated at about $70 million (not including general and contingent liabilities). These obligations stem from NFA commitments dealing with, inter alia, the provision of a potable water supply (up to 50 per cent recoverable from the province), funding to the Northern Flood Committee (NFC), resources for the formulation of community development plans, granting of easements and land-exchange registration and federal responsibilities in connection with the implementation of the Lake Winnipeg, Churchill and Nelson Rivers Study Board Report.

A major feature of the NFA is the extensive power of an arbitrator to settle disputes and order compensation or initiation of remedial measures.

EXPENDITURES ($ Million)

	83/84	84/85
Salaries	.289	.226
Operation	.283	.334
Grants/contributions	.772	.867
TOTAL	$ 1.345	$ 1.427
PYs	*8.0	*8.0

* Includes a Department of Justice lawyer.

OUTPUTS

Implementation of the agreement has been an arduous process (more than 150 claims have been filed with the arbitrator). The federal government has not yet fulfilled many of its major commitments.

Only 149 acres out of about 47,000 have been transferred to compensate bands for the nearly 12,000 acres flooded (ratio of four acres for each acre affected). The provincial Cabinet is apparently reviewing this matter.

The federal government has provided about $8 million over the past seven years to execute its obligations and a further $70 million ($50 million for the installation of a potable water and sewage system) was conditionally approved by Cabinet last June. The province and Manitoba Hydro have spent about $19 million to cover their obligations but their major commitments have yet to be met.

CONSIDERATIONS

Indian Affairs has indicated that the potential range of costs to all the parties and Canada's share is:

	NFA parties ($Million)	Canada
Specific compensation program	160-250	45-70
General obligations	100-200	0-70
Damages/default charges	80-100	10-20
TOTAL	340-550	55-160

Until the summer of 1982, little federal implementation support was given to the agreement even though arbitration claims, albeit directed predominantly at Manitoba Hydro or the province, started to be filed in late 1982 by the various bands and the flood committee.

No easement rights have been granted to Manitoba Hydro by the federal government because the land exchange and other major commitments have not been met.

Exclusive use of other land areas which would contribute to the economic viability and well-being of the bands was also promised, but no five-year permits have been provincially approved. About four million acres have been selected by bands and are still under review by the province.

Labour force participation by Indian people was negligible during the prime construction period of the project, 1973 to 1980, (16,200 person-years of construction activity).

The parties agreed that disputes between Canada and Manitoba and/or Manitoba Hydro would not be cause for a delay in the implementation of projects or programs. This agreement has not worked.

Like the 1975 James Bay and Northeastern Quebec Agreement (JBNQA), the NFA assured continued, undiminished levels of essential services to the Indian communities but this commitment was not kept. Internal DIAND reports indicate that from 1977-83, NFA bands received $10,700 per capita in benefits, while other Manitoba bands received $26,100 per capita. This pattern is commonplace in areas where bands negotiate supposedly enriched opportunity packages. The results turn out to be the reverse of what was intended. Even the special Northlands Agreement funds (while not designed to mitigate affects) did little to offset the imbalance in these communities, yet they comprise 15 per cent of the targeted Northlands population.

In July 1984, the federal government announced a five-year enhanced NFA implementation program consisting of a commitment to fulfill its obligations at an estimated cost of $70 million above the A-base level of $1.2 million per year. To date only $850,000 for capital feasibility studies has been requested from Treasury Board. These funds are channelled through the Native Claims Program. The projected expenditure profile for these policy reserve funds is:

($Million)	**85/86**	**86/87**	**87/88**	**88/89**	**TOTAL**
Capital	5.9	7.5	20.8	19.3	53.5
O&M	4.2	3.0	4.1	4.3	15.6
TOTAL	10.1	10.5	24.9	23.6	69.1

Late in 1983, the province and Manitoba Hydro proposed a settlement offer to the five bands. The settlement package contained about $42 million, plus specific commitments to "buy out" certain claims in exchange for commitments from the bands and band members to give up rights to file claims under various NFA clauses, along with other understandings. This offer was rejected by the bands. Even so, the Cross Lake Band later requested and received a separate settlement offer in respect of some of their individual claims or share of an NFC claim. It amounted to approximately $12 million cash, with $4 million to be provided as an advance payment. A counter-proposal is now being prepared by the band.

Even if the recent provincial approach is successful, federal implementation of the NFA could continue to be very lengthy and expensive. Moreover, unless the land exchange and land use issues are resolved and the construction of federal capital works begun, these communities cannot adequately plan and marshall resources to meet their needs.

The level of staffing required to implement the NFA is the same as that allocated to the JBNQA and COPE agreements collectively. While the activities are not identical, it does underscore the deficiences of the NFA and arbitrator process and inefficiencies of the federal NFA approach.

ALTERNATIVES

A settlement offer approach (similiar to the provincial/Hydro scheme), managed by a senior negotiator, should be considered. Not only would the federal implementation overhead costs be reduced from the planned five-year total of $3.1 million, but continuing liability regarding certain federal obligations would be removed.

The settlement funds could be directed to the various bands' revenue and capital trust accounts for their use and benefit, thereby shifting DIAND's administrative responsibility from elaborate implementation activities to trust accounting. In addition, the offer could be substantially less than the current $70 million estimate and the provincial share of the potable water supply costs would be pre-determined instead of negotiated later.

The settlement payments could be phased over a three year period. Since the NFA does not stipulate a sewer cost obligation, it would also seem practical to isolate sewer costs from the settlement and cover these expenses within existing resources for capital projects. The federal government may also wish to agree to finance the operation and maintenance of these capital works.

A variation on the settlement offer alternative would be to direct expenditures into a provincial trust account (as in the Whitebear specific claim) or bank accounts of the bands' choice. Such an option has advantages for the federal government and the band. For example, if the funds were directed into the capital trust account, the very restrictive access rules under the Indian Act would be problematic. Therefore, placing the funds in a different account would be preferable.

A senior negotiator could also open up high-level federal/provincial discussions on the pace of settlement (over provincial land exchange and land-use permit commitments) under the NFA. Such a measure could speed up resolution of the land-related issues which are key to the communities' future development and a major prerequisite to proper planning. It would also demonstrate the federal government's desire to uphold its fiduciary duty in respect of reserve lands.

CONCLUSIONS

Other mega-project developments are likely to prompt bands to seek special federal/provincial development measures to alleviate undefined adverse effects. In these instances, the federal government should not enter agreements of the NFA variety. An alternative policy is required, perhaps one that suggests developers must pay the total cost for remedial measures, and the federal government left to protect band lands and resources from alienation until such measures are negotiated. The federal government might also offer to dovetail federal/Indian plans and projects to complement activities under the negotiated packages, but would not make specific commitments.

It is obvious that agreements such as NFA and JBNQA were intended to solve and remedy problems and to ensure a steady access to federal programs by Indian communities. Yet these two cases show that neither has occurred without taking extraordinary steps. For the NFA, a new settlement package is suggested. The study team strongly submits that implementation considerations must be carefully weighed and approved as part of the negotiated agreements, and commitments crafted to lessen confusion and further development.

PREFERRED ALTERNATIVE

It is unlikely that the current implementation efforts of the federal government will accelerate the resolution of NFA issues. Nor can it be expected that the arbitration process will suddenly dislodge parties from their adversarial postures. A new approach, which permits bands to take direct charge of their communities' development and quick settlement of federal commitments, is required . A negotiated settlement is therefore imperative. And, the recoverable provincial share would be determined prior to actual expenditures instead of arbitrating the issue after the capital project is underway.

CATEGORY REVIEW

NATURAL RESOURCE AGREEMENTS

PROGRAMS

This category is composed of five programs with total 1984/85 expenditures of $7.1 million and utilizing nine person-years.

Natural Resource Development Agreement with Ontario (INAC 91) -- a five-year agreement between DIAND and Ontario through which the province involves status Indians in the management and development of natural resources. (1984/85 expenditures $.3 million; no person-years.)

Canada/Manitoba/Saskatchewan/Northwest Territories Caribou Management Agreement (INAC 119) -- a 10-year agreement which finances the cost of a caribou management board made up of the four government juridictions and native hunters representing the nine affected communities. (1984/85 expenditures $.015 million; no person-years.)

Canada/Northwest Territories Sub-Agreement on Natural Resource Development (INAC 120) -- a four-year, $4.7 million agreement designed to plan and develop more access to natural resource activity for northern residents. (1984/85 expenditures $1.5 million; two person-years.)

Salmonid Enhancement (F&O 16) -- a Fisheries and Oceans program to increase fish production through low-technology, community oriented production techniques. A component of this program, the Community Economic Development Program is geared toward employment and training. More than 50 per cent of these projects are located in native communities. (1984/85 expenditures on native programs $4.6 million; seven person-years.)

Forestry Sub-Agreements (AGR 499) -- federal/provincial agreements on forestry have recently been signed or will soon be signed with all provinces. Each contains a component dealing with native programs ranging from management of Indian lands to commercial development strategies. (1984/85 expenditures on native components $.7 million; no person-years.)

BACKGROUND

The programs in this category are all federal/provincial agreements, except the Salmonid Enhancement Program. This reflects the consitutional jurisdiction of provinces for resources. Salmonid Enhancement is included here because, while it is not technically a federal/provincial agreement due to federal jurisdiction over the offshore, it deals nevertheless with major natural resources.

Prior to 1982, resource-development agreements were negotiated through DRIE and generally formed part of larger comprehensive agreements on overall economic development. In 1982, it was determined that sector departments should become more involved in the negotiation and management of resource agreements.

To date, only those agreements reviewed here appear to have a significant native component. Two of the agreements, Northwest Territories and Ontario are comprehensive; the others are specific to a particular sector. A third comprehensive resource development agreement is currently being negotiated in Yukon. The practicality of entering into comprehensive agreements derives from the different nature of responsibility of DIAND. The Ontario agreement is specific to Status Indians and therefore reflects Indian Affairs responsibility. The northern agreements reflect Northern Affairs overall responsibility for federal lands North of 60. While Northern Affairs includes the Canadian Forestry Service and Fisheries and Oceans in the administration of the agreement, they retain overall management responsibility.

COMMENTS

A large proportion of native people rely extensively upon a land-based economy and, therefore, the management and development of the resource base is of particular relevance to them.

With the exception of the programs described here, there has not been any significant attempt to recognize native interests in the resource agreements.

The Northwest Territories Natural Resource Agreement serves as an example of how the resource management process can evolve in a way which recognizes native interests.

Unfortunately, in this case, viable development opportunities are limited and therefore impacts on native livelihood and well-being will likely be minimal.

Traditionally, resource departments have been reluctant to recognize the special interests and needs of native people.

This appears to be changing in both the forestry and fisheries sectors. In addition to the Salmonid Enhancement Program, Fisheries and Oceans has made significant effort to respond to the needs of native users either on a project basis or in the context of other ongoing programs. These activities include: regulation and harvesting studies related to the Indian and Inuit food fishery; participation in implementation of fisheries research development and inspection components of the James Bay and Northeastern Quebec agreements; training and employment of band members as fishery enforcement officers; consultation on resource management issues, program planning and conservation efforts; and assistance to increase the efficiency of the harvesting, processing and storage of fish.

The forestry sub-agreements may represent an important step in having sector departments recognize native needs and begin to move away from the "if it's native it's DIAND's problem" syndrome.

Through federal/provincial agreements, provincial resource management expertise can be applied to federal lands and native people rather than the current system of either trying to duplicate provincial expertise or, as is more often the case on reserve lands, inadequately managing the resource.

FINDINGS

There is a need for specific recognition of issues related to native and federal lands in the negotiation and implementation of federal/provincial resource development agreements.

Resource development opportunities arising for native people can and should be supported through economic development programs where business expertise resides.

No changes are recommended at this time. Over time, and through the judicious implementation of the above finding, the resource development agreement with Ontario and the Renewable Resource Program (reviewed under DIAND Economic Development Program) will become redundant.

PROGRAM REPORT

RESOURCE DEVELOPMENT AGREEMENT WITH ONTARIO (INAC 91)

PART I (SUMMARY)

OBJECTIVES

To improve the economic circumstances of Status Indians through the development and management of natural resource.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☒ LIVING ELSEWHERE

LIMITATIONS

The program is based on equal sharing of the costs. Ontario only provides $250,000 per year.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.3	.3	.3	0	0
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☒	☐	☐
Is Need Being Met	☐	☒	☐	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☒	☐	☐	☐
Administrative/Management Constraints	☐	☐	☐	☐

PROGRAM REPORT

RESOURCE DEVELOPMENT AGREEMENT WITH ONTARIO (INAC 91)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCE PROFILE ($ Million)

	83/84	84/85	85/86
Grants & Contributions			
Operating Expenses			
- Salaries			
- O&M			
Capital			
Loans (authorized levels)			
PYs	.3	.3	.3

DELIVERY BY

Native Local Authorities	
Department	50 per cent
Provincial Government	50 per cent
Other	

ASSESSMENT

The federal and provincial governments have been sharing resource-development programs for natives since 1948. The present agreement is for the five-year period April 1982 to March 1987.

The agreement can be terminated any time upon one year's notice.

The program will assist status Indians to derive income from fishing, fur trapping, forestry, sport fishing, hunting, recreation, processing and marketing product. Assistance will include training of natives for these pursuits.

The projects are managed by the Province of Ontario under the direction of an advisory committee consisting of three provincial appointees, two federal appointees and five native appointees.

The costs are shared equally by Ontario and Canada.

The agreement contributes to the employment of approximately 400 status Indians.

PROGRAM REPORT

CANADA/MANITOBA/SASKATCHEWAN/NORTHWEST TERRITORIES/ CARIBOU MANAGEMENT AGREEMENT (INAC 119)

PART I (SUMMARY)

OBJECTIVES

To coordinate the management of the Beverly and Kaminuriak caribou herds.

EXPECTED RESULTS

To establish a process of shared responsibility between governments and native users of the caribou herds.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☒ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.015	.015	.015	.015	.015
PYs	-	-	-	-	-

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☐	☒	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☐	☐	☒	☐
Other Results	☐	☐	☒	☐
Alternative Methods of Achieving Results	☐	☐	☒	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☐	☒	☐

PROGRAM REPORT

CANADA/MANITOBA/SASKATCHEWAN/NORTHWEST TERRITORIES/CARIBOU MANAGEMENT AGREEMENT (INAC 119)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

RESOURCE PROFILE ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	.015	.015	.015	.015	.015
Operating Expenses					
- Salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

ASSESSMENT

A ten-year multi-party agreement to 1992 at a federal cost of $15,000 per year to cover part of the operating expenses of the Caribou Management Board.

This board was established to improve the management of two caribou herds which, because of their migration patterns through three resource management jurisdictions, were in need of a consistent coordinated approach to game management. Otherwise they would have been threatened with extinction.

Given the size and remoteness of the migratory range, native involvement is essential to ensure hunter input and compliance with management practices. The alternative of trying to enforce hunting controls is impractical.

Now considered a model for collaborative game management, this agreement is expected to be renewed in future with minimal charge.

The role of Northern Affairs in this agreement is unclear. Canada's interest should be, and is, represented by the Canadian Wildlife Service.

CANADA/NORTHWEST TERRITORIES SUB-AGREEMENT ON NATURAL RESOURCE DEVELOPMENT (INAC 120)

OBJECTIVES

To improve the skills and abilities of northern residents, support business initiatives, plan, increase and develop more access to natural resource activity, and plan and implement projects which are both traditional and "wage employment" in nature.

AUTHORITY

Appropriation Act; departments - Indian Affairs and Northern Development, Fisheries and Oceans and Environment Canada; Government of the Northwest Territories.

INTRODUCTION

The four-year Canada/Northwest Territories Sub-agreement on Natural Resource Development was designed to assist in the planning and development of inter-settlement trade in country food and quarried soapstone material and to support planning and implementation of traditional projects in the areas of forestry, agriculture, fur harvesting and fisheries.

Trading in country foods and carving materials represents a valuable source of cash income for those northerners who prefer or are best suited to the traditional lifestyle of living off the land.

Similarly, exploitation of renewable resources (i.e. hunting, trapping and fishing), present for many northerners, the only real and potential source of income available to them.

ASSESSMENT

This initiative is compatible with both the territorial and federal government's priority to create opportunities for bridging the gap between the traditional and wage economies.

Resources throughout the north are unevenly distributed. Trade at the intersettlement level could significantly improve the viability of many communities as well as enhance the nutritional level of its residents.

Skills in the traditional pursuits (i.e. hunting, trapping and fishing) are often the only expertise acquired by many northerners over a lifetime. Many hunters, trappers and fishermen are disinclined to, or not amenable to, undergo training for other types of employment.

Native peoples across the North have strong cultural ties to indigenous, traditional foods and arts and crafts. Likewise the potential for renewable resources to become an important economic activity in their hands requires planning and assistance elements not previously available.

DESCRIPTION

Three federal departments (Indian Affairs and Northern Development, Fisheries and Oceans, and Environment) and the Government of Northwest Territories are committed to delivering support and assistance under this agreement.

The agreement makes provision for a management group with equal representation from federal and territorial parties to oversee its management and administration.

Provisions exist to ensure that residents have the opportunity to participate in, recommend on, and contribute to planning studies carried out under the agreement.

Funding is made available to assess the readiness and commitment of communities, community groups, hunters and trappers associations, and native political groups to participate in inter-settlement trade. Assistance is available for studies to determine the economic feasibility of harvesting/marketing specific resources, the testing of new products, the provision of data on current inventories, training, and overall product development.

Assistance is available for planning, developing and expanding the fur industry, commerial fisheries, wildlife-based industries, forest industry and small-scale agriculture/market gardening activities.

EXPENDITURES

The four-year agreement has a total value of $4.68 million, cost-shared 90:10 between the Department of Indian Affairs and Northern Development and the Government of the Northwest Territories.

($Million)

	83/84	84/85	85/86	86/87
Inter-settlement Trade (Grants & Contributions)	.2	.5	.5	.3
Renewable Resources (Grants & Contributions)	.5	.8	.9	.8
Administration & Information (including O&M)	.1	.2	.1	.1

CONSIDERATIONS

This agreement will terminate on March 31, 1986 although there is nothing to suggest that it could not be extended with the agreement of all parties.

Programs under both the interim agreement and objectives of the General Development Agreement have been supported by communities, territorial organizations and native groups almost without exception. By regularly making available to territorial residents information on the purpose of these programs, progress reports, and future directions, there will be an effort to build on the support and to ensure that expectations are realistic.

All aspects of the agreement seek to be responsive to the small and isolated nature of most targeted communities, language problems in some locales, and education levels in the North.

The agreement recognizes that its success will depend upon identifiable demands for tradeable commodities, maintaining the productivity of the resources to be harvested, the development of a sound distribution system and its ability to be sensitive to the cultural, social and historical ties of communities to the land.

ALTERNATIVES

There are two areas of the northern economy which the agreement does not address at present, but which deserve attention given the potential they may represent -- tourism and mining. Tourism is supported in another agreement but to a limited extent.

Although the resources provided by the agreement appear to have been applied in an equitable fashion, perhaps more emphasis could be placed on the strategy behind the application of funding through the creation of an economic planning sub-group. This might increase the opportunities for linkages to be established with southern domestic markets and potentially export markets in the soapstone and fur industry activities.

CONCLUSIONS

Considerable care has been taken in the structuring of the agreement to avoid duplication or overlap with programs offered by the Freshwater Fish Marketing Corporation, Special ARDA, and CEIC. In some instances, incentive grants and training dollars (e.g. for trappers to enhance fur quality) provided by Government of Northwest Territories are complementary to the financial support provisions of this agreement.

The agreement is impressive in its intent to respect the strengths and natural inclinations of local economic situations. It is also mindful of the realities of size in assessing specific projects.

SALMONID ENHANCEMENT PROGRAM (F&O 16)

OBJECTIVES

To increase fish production in British Columbia through low-technology, community-oriented production techniques.

AUTHORITY

Fisheries Act; Department - Fisheries & Oceans.

INTRODUCTION

The program includes an engineering component, a facilities operations component, and a special projects component. Under the latter is a Community Economic Development Program (CEDP) geared towards salmonid enhancement and employment and training. More than 50 per cent of the projects under CEDP are located in British Columbia native communities. The formal training component is now administered by the British Columbia Ministry of Education.

About 88 per cent of CEDP costs are related to job creation. The average job cost in 1982 was $35,700 (taking into account capital investments required in projects).

ASSESSMENT

The enhanced production of the salmon resource benefits both the British Columbia commercial fishing industry and consumers. In addition, natives in British Columbia coastal areas have a long-standing historical and cultural interest in the fishery which is reflected in their present-day involvement in the commercial fishery (14.5 per cent of commercial salmon licences are held by natives in British Columbia). Natives also benefit from the program through their native food fishery take in British Columbia (4 per cent of the total British Columbia salmon take is estimated to be for native subsistence food purposes).

The program is a source of employment for native people (approximately 75 jobs per year).

DESCRIPTION

Projects under CEDP are approved under such criteria as biological viability, economic viability, social benefits and availability of technical expertise in the communities. Native projects are expected to meet the same high standard of quality fish production at low cost as non-native projects.

EXPENDITURES ($Million)
(all native and non-native projects)*

	83/84	84/85	85/86
Salaries/Wages			
O&M	4.0	4.6	4.5
Grants/Contributions			
Captial Revenues			.5
PYs	6.5	7	7

* Some projects involve both natives and non-natives; in 1985/86, approximately $2.7 million is designated for native-specific projects.

OUTPUT[illegible]

- [illegible]0 projects implemented.
- Native training and employment (75 persons per year) in an increasingly high technology area.
- Increase in fish stocks.
- Improved relations between the Department of Fisheries and Oceans and native communities in an area where relations have been negative in the past (i.e. resulting from Fisheries and Oceans policing of the resource).
- Economic benefits resulting in sustained stock levels for users of the resource (commercial, sport, Indian food fishery).

CONSIDERATIONS

The review team cannot comment on the relative merits of a low-technology approach to fish production in comparison to the efficiency of major production facilities.

The program is an excellent example of a program combining resource management and social benefits.

A 1982 evaluation of the program concludes that: more native involvement in program planning and management would be desirable; the proportion of native projects should be increased to 80 to 90 per cent; more effective economic benefits could be derived for native people; "success" criteria be better defined for projects; and improved project management measures should be undertaken.

ALTERNATIVES

Economic self-sufficiency for projects is not possible as long as the "client" remains the federal government. However, if the projects begin to generate surplus fish, revenues could accrue to individual projects.

Broader objectives could be established to assist well-run native projects to develop into more sophisticated, high-technology projects to compare in efficiency to larger hatcheries.

CONCLUSION

The study team has not reviewed the overall Salmonid Enhancement Program. The CEDP component combines a number of commendable social benefits for natives along with a resource development mandate. From the perspective of native interests, efficient native projects should be continued, taking into account improvements recommended in the 1982 program assessment.

FEDERAL/PROVINCIAL FORESTRY SUB-AGREEMENTS (AGR NEW)

OBJECTIVES

To deliver federal funds directly to federal lands for forestry enhancement initiatives under federal/provincial forestry sub-agreements.

AUTHORITY

Public Service Rearrangement and Transfer of Duties Act; Department - Agriculture.

INTRODUCTION

Federal lands constitute about 10 per cent of the geographic area covered by federal/provincial forestry sub-agreements under the Economic and Regional Development Agreements (ERDAs). The Canadian Forestry Service administers funds allocated for Indian and other federal lands.

ASSESSMENT

Indian lands, like other federal Crown lands, require better management planning, silviculture practices, infrastructure, forest renewal and commercial development strategies to ensure best use of the forestry resource.

DESCRIPTION

Each forestry sub-agreement is negotiated separately with the province concerned. Some do not contain specific provisions for Indian lands but Indian bands may benefit from general initiatives pursuant to these sub-agreements.

Fifteen Indian specific projects exist in Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, Saskatchewan, and Alberta. Quebec and British Columbia have not yet signed agreements, although federal support to one Indian reserve is currently provided in Quebec under the Plan de développement économique Canada Gaspésie et Bas St. Laurent (not included in financial profile).

As most provinces have only begun to implement agreements, activity is low. Also, as the agreements run for five years, new projects could be added in future years.

EXPENDITURES ($ Million)

	84/85	85/86
Contributions	.7*	

* Some projects will be carried out over the five-year life of sub-agreements; additional projects could come on stream in future years.

OUTPUTS

Twenty-nine person-years of work and 390 weeks of employment are generated for Indians through existing projects. Projects include:

1. Preparation of Forest Management Plans for Indian reserves.
2. Training of band members to carry out thinning operations.
3. Forest-access road construction.
4. Site reclamation.
5. Stand conversion.
6. Silviculture training.
7. Development of cutting control systems.
8. Planting of trees, cleaning, thinning, spacing, sanitation, cutting and inventory checks.

CONSIDERATION

Development of forest management plans is conducted by qualified forestry consultants and therefore does not generally provide work for Indians. However, implementation of plans can create job opportunities.

ALTERNATIVES

Activities are carried out under five-year federal/provincial sub-agreements and no alternatives exist for this duration. Indians benefit from federal presence aspects of these agreements.

CONCLUSION

No modifications are contemplated. The sub-agreements combine broad forest management objectives on federal lands with opportunities for training, employment and forestry resource management for Indian people on reserves.

CATEGORY REVIEW

NATIVE CLAIMS

PROGRAMS

Five programs are included in the category. They are administered by DIAND and have a 1984/85 cost of $170.6 million and 67 person-years. The authority for the first three which cover claims research, negotiation and settlement is the Appropriation Act. The two comprehensive claims settlements are covered by four Acts of Parliament:

The James Bay and Northern Quebec Native Claims Settlement Act 1977.
The Northeastern Quebec Agreement Act 1978.
The Cree-Naskapi Act 1984.
Inuvaluit Final Agreement Act 1984.

Claimant Research and Negotiation (INAC 20) -- DIAND makes grants and loans to claimants to conduct research and negotiate claims ($18.9 million; four person-years).

Claims Negotiation (INAC 400) -- DIAND operates the Office of Native Claims to negotiate settlements ($4.3 million; 63 person-years)

Claims Settlements (INAC 401) -- DIAND pays compensation as agreed under settlement agreements ($147.6 million).

Cree/Naskapi Agreement (INAC 992) -- DIAND pays compensation as agreed (funds included under Office of Native Claims).

COPE Agreement (INAC 991) -- DIAND pays settlement as agreed (funds included under Office of Native Claims).

BACKGROUND

The process of modern claims settlement began in 1966 when Dr. Lloyd Barber was named as the first Commissioner for Native Claims. However, the announcement in 1971 of the intention to develop the hydro-electric potential of James Bay brought to the attention of Canadians the necessity of resolving the claims of aboriginal people to the land which supported their traditional lifestyle. The aboriginal people felt that encroachment of 20th century civilization on their historic environment and their reservations had proceeded without recognition of either their treaties or their basic rights. In 1973, the government established the Office of Native Claims and agreed to consider claims and outstanding grievances.

The claims established a broad set of issues that required negotiation and decision. While compensation for land surrendered for development was an important issue, the native people were also concerned with the preservation of their traditional lifestyle, the advancement of self-government and their participation in the economic benefits of Canadian society.

Claims which arose because aboriginal title had not been extinguished by a treaty or other means, have been identified as "comprehensive claims". Two comprehensive claims have been settled, one covering the James Bay and northern Quebec region (Cree/Naskapi), and one covering the western Arctic (COPE). Twenty-one additional comprehensive claims have been filed, five of which are under active negotiation.

Most claims arise from breaches of obligations in treaties, administration of the Indian Act, and handling of Indian property. Two-hundred-and-eighty such claims, called "specific claims", have been filed, 24 of which have been settled. Acceptance of "specific" claims settlements has been slow, but a process is now in place which will enable DIAND to settle 20 to 25 claims per year. It is estimated that between 1,500 and 2,500 specific claims will be submitted.

The government provides grants to native organizations to research and develop claims and make loans against future settlements while claims are being negotiated. The potential cost of claims settlements is indeterminate.

COMMENTS

The present policy is to have six comprehensive claims under negotiation at one time and to settle 20 to 25 specific claims each year.

Some settlements result in granting title and rights to land and provision of services which are controlled by the provinces. Many negotiations involve three or more parties.

The bands which have received cash payments have generally put the money to a productive use. Some have purchased additional land and livestock.

The implementation of complex agreements has proven to be as difficult as the negotiation. Unless the first negotiation identifies all the issues and develops solutions, including an implementation process, the agreement is followed by further negotiations. Solutions and implementation plans must also recognize the government's capacity to deliver the commitments of their negotiators.

The James Bay agreement has seen a major step toward native self-government and a clear demonstration of the capacity of a province and the federal government to develop common solutions to very complex problems.

The alternative to negotiated solutions is adjudication, either through the courts, or by establishment of a claims tribunal. The alternative course increases confrontation, limits flexibility in resolving broad issues such as self-government, and is likely to be more costly than negotiation.

FINDINGS

Specific claims represent outstanding grievances, many of which are of long-standing. These grievances form the basis of native dissatisfaction and distrust of the government and its processes. However, native claimants are beginning to indicate confidence in the procedure for settling specific claims. The government should consider advancing in a substantial way the funding and the capacity to settle specific claims. The funds received as settlements are recycled into economic developments by the recipients. In fact, they appear to have been used more effectively than government expenditures for native economic programs.

The comprehensive claims involve such broad issues that agreement may not be reached until a crisis develops. In both settlements to date (James Bay and COPE) resource projects could not proceed until settlement was agreed. Because native self-government is a key issue in reaching agreement, efforts to settle comprehensive claims should be deferred until the government's position on native self-government and the funding of housing and social services has been clearly determined. These could have the effect of de-emphasizing the priority native people place on their claims, at least in scope and magnitude.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

Accelerate the negotiation of specific claims and defer the negotiation of comprehensive claims until the government position on native self-government is determined and implementation is well under way.

CLAIMANT RESEARCH AND NEGOTIATION (INAC 20)

OBJECTIVES

To ensure native claimants have access to resources to research and negotiate claims.

INTRODUCTION

Since beginning to negotiate native claims in 1973, the government has provided $35 million in grants and $99 million in loans to native organizations to develop their claims.

ASSESSMENT

More than 280 claims have been submitted. It is estimated that another 1,500 to 2,500 could be submitted.

DESCRIPTION

Funds are provided to native organizations to conduct research on behalf of bands.

If the research establishes a basis for a claim and it is accepted by the minister for negotiation, additional money can be borrowed to fund further development and negotiation.

EXPENDITURES ($ Million)

	84/85
Salaries and Wages	.1
O&M	
Contributions	4.5
Capital	
Loans	14.3
PYs	4

OUTPUTS

Of the 280 claims submitted, 24 specific and two comprehensive claims have been settled through negotiation.

The present policy is to settle 20 to 25 specific claims each year, and to have six comprehensive claims under negotiation at any one time.

CONSIDERATIONS

The size of the program depends on the rate at which the government wishes to resolve native claims.

The subject is covered more fully under the program assessment entitled "Claims Settlements".

ALTERNATIVES

There has been no alternative considered.

CONCLUSION

The program is directly related to the claims settlement policy.

PREFERRED ALTERNATIVE

Continue with present program.

CLAIMS NEGOTIATION (NON-STATUTORY) (INAC 400)

OBJECTIVES

To resolve outstanding claims.

INTRODUCTION

Since 1973, the government has recognized an obligation to negotiate native claims. In 1983, it established a funding ceiling to be used to settle specific claims.

ASSESSMENT

More than 280 claims have been submitted; more than 100 have been accepted for negotiation.

It is estimated there is a potential submission of 1,500 to 2,500 claims.

DESCRIPTION

Claims arise over title to land, implementation of treaties and the administration of band property.

DIAND negotiators attempt to settle specific claims within an established framework. Settlements involve payment of compensation.

Two comprehensive claims arising from the right to aboriginal title have been settled through the use of independent negotiators. These settlements, described as separate programs (Cree/Naskapi and COPE) involve compensation, assignment of land, self-government and other matters.

The program equips DIAND to staff for negotiation, and pays the cost of advances made against negotiated settlements.

EXPENDITURES ($ Million)

	84/85
Salaries and wages	2.6
O&M	1.9
Contributions	
Capital	
PYs	63

OUTPUTS

Twenty-four specific claims have been resolved. An additional 20 are very near settlement.

Two comprehensive claims have been settled.

There are sufficient claims in hand to reach the objective of settling 20 to 25 specific claims per year.

CONSIDERATIONS

(The following points should also be read with the considerations under the programs titled Claims Settlements.)

The process for the settlement of specific claims, while slow to start, is now proceeding at an orderly pace.

The funding ceiling is not sufficient to settle the specific claims coming forward every year.

ALTERNATIVES

Claims could be settled in the courts rather than through negotiation.

A tribunal could be established to adjudicate claims.

CONCLUSIONS

Negotiation is necessary to resolve claims.

The speed of settlement will depend on the funds allocated for the purpose.

Early settlement removes long-term grievances and directs funds to band self-support.

PREFERRED ALTERNATIVE

Under the program entitled Claim Settlements, it is proposed that the negotiation of specific claims be advanced. Appropriate adjustment would be necessary in this program.

CLAIMS SETTLEMENTS (INAC 401)

OBJECTIVES

To fulfill obligations pursuant to negotiations or litigation.

INTRODUCTION

Claims are divided into two types:

1. comprehensive Claims arise when aboriginal title has not been extinguished by treaty or other means.

2. specific Claims are based on breaches of lawful obligations set out in treaties, or arise from defaults in the administration of the Indian Act, or the management by the government of Indian reserve lands and Indian trust funds.

The legal authority for settling claims is provided through the estimates by a specific vote. Parliamentary approval is required for any agreement reached with claimants.

The government, through the Department of Indian Affairs and Northern Development, has settled 24 specific and two comprehensive native claims.

ASSESSMENT

The present policy is to settle 20 to 25 specific claims per year and to have six comprehensive claims under negotiation at any one time.

It is estimated that between 1,500 and 2,500 claims may be received.

DESCRIPTION

The two comprehensive claims settled to date are the Cree/Naskapi (James Bay) and the COPE (western Arctic) agreements.

Twenty-four specific claims have been settled.

EXPENDITURES ($ Million)

	84/85
Salaries and wages	
O&M	
Contribution	147.6
Capital	
Loans	
PYs	

OUTPUTS

See Description.

CONSIDERATIONS

Comprehensive Claims

Fifteen comprehensive claims in addition to the six under active negotiation have been accepted for future negotiation. Some claims were submitted as early as 1973. Twenty more comprehensive claims are expected.

Claims involve a wide range of issues including land, resources, wildlife management, provision of services, local government as well as compensation.

The resolution of claims may require contributions of land and provision of services and money by the provinces and the territories. British Columbia and Newfoundland have not yet agreed to join in settling comprehensive claims.

The attitude of the claimants toward settlement is influenced by negotiations on other fronts such as the constitution or native self-government.

Some of the claimant groups have not yet defined their negotiating position clearly, possibly as a result of leadership changes.

A claim settlement may require cash payment, acceleration or increases in government programs, new administrative bodies, and may impose on third parties. Machinery for implementation is essential for successful delivery of the settlement. Implementation secretariats have been established for the two comprehensive settlements made to date.

The two comprehensive claims settlements were achieved largely because major resource development projects could not proceed without resolution of these claims. Claimants are unlikely to settle comprehensive claims unless they have leverage to achieve settlement of a broad range of issues.

The government's willingness to agree to a comprehensive settlement depends on its readiness to negotiate on issues such as self-government and native self-control over a wide range of activities that are now closely managed by government.

Some part of the cost of settlement will, in the long term, be offset by reducing the cost of other government programs.

Specific claims

An expenditure ceiling was established in 1982 to fund the settlement of 20 to 25 specific claims per year.

Although Indian people were slow to accept the process, their distrust has diminished as settlements have been negotiated. Several claims have been withdrawn from the courts to be negotiated.

The status of all claims is summarized below

Under review	87
In negotiation	83
Rejected	17
Settled	20
Under litigation	11
Referred to other depts	55
Suspended	7
TOTAL to March 31, 1984	280

Some of the settlements are much more costly than the $500,000 per claim provided by the funding. As the program is now operating, funding requirements are expected to be:

84/85	$69.5 million (19.5 from financial reserves)
85/86	$65.1
86/87	$45.7

A high proportion of the funds paid out to Indian bands have been dedicated to capital projects such as the replacement of land, purchase of livestock, and economic development ventures.

The rate of progress in settlement will become constrained by the availability of funds. The advantages of early settlement, in addition to removing long-standing grievances, include the direction of settlement funds to band self-development and the opportunity for earlier self-support.

It is essential to maintain reasonableness in individual settlements, which become precedents for future claims.

The process of negotiation has had positive impacts on native leadership, in addition to the settlement process itself.

The expected cost to the federal government of all claims settlements agreed on to 1984 is $204 million for comprehensive and $111 million for specific claims.

ALTERNATIVES

The resolution of comprehensive claims could be deferred until the policy with respect to Indian self-government has been determined.

Claims could be settled through litigation.

CONCLUSIONS

Claims should be settled through negotiation.

The development of a framework for settlement of comprehensive claims accepted for negotiation by the government should be introduced early in the negotiation process.

The amount of money required to settle outstanding claims cannot be determined. It is likely to be several billions of dollars.

Comprehensive claim settlements depend on the transfer of responsibilities from the government to natives, level of social services provided, resource development and access to land. The claim settlement program will depend on the rate at which these larger issues are decided.

The specific claims should be settled as quickly as possible. The commitment of additional funds to settlements would increase the rate of settlement.

PREFERRED ALTERNATIVES

Advance the negotiation of specific claims.

Defer the negotiation of comprehensive claims until the government policy on native self-government has been determined and implementation is well underway.

PROGRAM REPORT

CLAIMS SETTLEMENT WITH CREE/NASKAPI AND INUIT OF THE REGIONS OF JAMES BAY AND NORTHERN QUEBEC (INAC 992)

PART I (SUMMARY)

OBJECTIVES

-

EXPECTED RESULTS

-

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☐ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

-

SCOPE OF PROGRAM ($Million)

	83/84	84/85	85/86	86/87	87/88
$	1.4	20.5	13.3	13.3	13.3
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☒	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CLAIMS SETTLEMENT WITH THE CREE/NASKAPI AND INUIT OF THE REGIONS OF JAMES BAY AND NORTHERN QUEBEC

PART II (Supporting Detail)

AUTHORITY

The James Bay and Northern Quebec Native Claims Settlement Act - Bill C-9 Oct. 1977; The Cree-Naskapi (Quebec) Act Bill C-46 July 1984.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	1.4	20.5	13.3	13.3	13.3
Operating Expenses					
- Salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

Origin of the Claims

The Cree claim was initiated in 1971 when the Quebec government announced its intention to develop the hydro-electric potential of the James Bay watershed. To protect their traditional hunting ground the Cree challenged the development in the courts. The negotiations which followed involved two levels of government and the Crown corporations which sponsored the development. It resulted in the James Bay and Northern Quebec Agreement which was signed on November 11, 1975.

The agreement was the first settlement of an aboriginal title claim in Canada. It was driven by five special circumstances.

1. The existence of a clear statutory obligation for Quebec to obtain a surrender of native interests in land prior to development. (There was a legal case.)

2. The existence of a single, major hydro-electric development as an act of government requiring such a surrender of native rights, the threat of which provided the stimulus for the formation of a native regional political organization. (There was a threat.)

3. The availability, through litigation, of a significant threat to the smooth execution of the James Bay Project and, as a result, the awarding of an interlocutory injunction by the Quebec Superior Court against the project. (There was a negotiating position.)

4. The existence of a regional hierarchy of Crown corporations with a direct commitment to resource development and their subsequent direct involvement in the negotiations because they were parties to the obligation. (There were well defined negotiating positions.)

5. The Cree is a homogeneous group with all communities sharing approximately the same socio-economic conditions and the same historical and cultural base. There was no urban Cree to be accommodated. (There was a native group with compatible interests.)

Framework of the Settlement

The settlement responded to the following problems which had to be resolved by agreement:

a. hunting, fishing and trapping rights; environmental and social protection (protecting the traditional cultural base);

b. lands and land regime; the subdivision of land into categories and the administrative regimes applicable to them (providing a land base for the Cree);

c. the organization of local and regional government (providing for Cree involvement in government);

d. the modifications to the James Bay hydro-electric development (legitimizing the work);

e. compensation, royalties, taxation and economic development (securing a firm economic base and indemnification for damages); and

f. health, education and community services (transferr the administration of services to the Cree).

The agreement confirmed the claimants' ownership of 5,250 square miles of land (about twice the size of Prince Edward Island) and exclusive hunting, fishing and trapping rights over 30,000 square miles (an area somewhat larger than New Brunswick); provided greater control by natives of wildlife in the remainder of the regions; agreed to pay financial compensation and special economic development assistance; and granted a large measure of local autonomy.

The cost of the settlement including funding the natives during negotiations was $232.7 million. Quebec and Quebec Hydro are responsible for $182.8 million or 78 per cent of this amount.

The James Bay and Northern Quebec Agreement (1975) and the Northeastern Quebec Agreement (1978) obligated the federal government to recommend to Parliament "special legislation" respecting local government and land administration for the bands of Cree and Naskapi Indians of James Bay. The Province of Quebec agreed to amend the required provincial legislation to give effect to the agreements.

Implementation of the Settlement

The federal legislation was enacted in July 1977. The Quebec government passed 15 bills arising from the settlement between June 1976 and July 1979. Thirty-one boards, committees, commissions and councils were established to oversee the structures which resulted from the transfer of responsibility to the native people. Among the entities created to effect implementation were:

The Cree Regional Board of Health and Local Services of James Bay;
Cree School Board;
The Income Security Board;
Cree Housing Corporation;
Cree Arts and Crafts Association;
Cree Trappers' Association;
Cree Construction Company; and
The Cree Regional Authority.

With the signing of the agreement in 1975, the people of the region believed that they had embarked on a course that would result in a better, more secure and prosperous future. Although significant progress was made, it was slower than anticipated, and in 1981 they asked for, and received, a complete review of the progress of the implementation.

The review (Tait Report 1982) uncovered a number of areas where, through misunderstanding, ambiguity and lack of action, there had been delays in fulfilling commitments. It resulted in the expenditures of $61.4 million to upgrade the federally provided services in the area to a standard comparable to other native communities in northern Canada.

The agreement required a new approach to financial control and accountability. Financial functions formerly performed by the federal government were to be transferred to the bands. Agreement on this stage of the implementation was reached in May 1984, and confirmed in the Cree/Naskapi Act (1984) which replaced the Indian Act with respect to the lands assigned under the settlement.

The implementation agreement provided:

a. funding for local government, safeguarding of community infrastructures, delivery of essential services and the management of Indian lands;

b. the determination of funding needs, and potential revenues from user fees;

c. principle of local autonomy and the elimination of unnecessary central administration;

d. funding would be through an unconditional grant; and
e. grants will be submitted to Parliament annually based on five-year agreements.

The base-year (1984/85) funding was established as:

Total for local operations and regional support	$17.8 million
Less recovered as user fees, etc.	5.9
Federal grant	$11.9

The base-year subsidy will be paid each year from 1984/85 to 1988/89. There will be annual adjustments due to population change, inflation and real-cost increases. The base level will be renegotiated for 1989/90. A one-time payment of $7.4 million was made to cover start-up and development expenses.

The Cree/Naskapi bands will remain eligible for new programs, economic development projects and capital funding for housing, water and sewer facilities and roads.

The continuing implementation of the Cree/Naskapi Agreement is handled through a six-person secretariat which acts as a coordinating agency within the DIAND headquarters office.

Future Effects

The implementation of this agreement, and the resultant transfers of control over local affairs to the new administration structures, should enable the Department of Indian Affairs to reduce regional operations.

Significant progress has been made in development of local leaders who are assuming responsibility for implementing economic programs in the Cree communities. Some of the federal funding is now provided through block grants. The effectiveness of this funding mechanism will need to be monitored.

Funding arrangements for local government services will be renegotiated in 1989. The capacity of the Crees to absorb a higher portion of local costs, because of the economic capacity which will result from the capital paid in the settlement, should be recognized in the next negotiation.

PROGRAM REPORT

CLAIMS SETTLEMENT WITH THE COMMITTEE FOR ORIGINAL PEOPLES' ENTITLEMENT (COPE) (INAC 991)

PART I (SUMMARY)

OBJECTIVES

To meet obligations under the claim settlement statute.

EXPECTED RESULTS

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☐ STATUS INDIAN ☒ INUIT
☐ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☐ LIVING ELSEWHERE

LIMITATIONS

The agreement fixes the total amount to be paid at: (i) capital transfer, $152 million; (ii) economic enhancement fund, $10 million; (iii) social development fund, $7.5 million; (iv) enrolment and implementation, $1.6 million.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$		57.6	37.0	13.7	8.0*
PYs	4	4	4	4	4

*** Future commitments $137 million.**

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CLAIMS SETTLEMENT WITH THE COMMITTEE FOR ORIGINAL PEOPLES' ENTITLEMENT (COPE)

PART II (Supporting Detail)

AUTHORITY

Inuvialuit final Agreement Bill C-49 July 1984.

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions*		27.4	6.8	7.0	6.8
Operating Expenses					
- Salaries		.1	.1	.1	.1
- O&M		.1	.1	.1	.1
Capital					
Loans (authorized levels) *		30.0	30.0	6.5	
PYs		4	4	4	4

* Includes the cost for implementation to several departments of the federal government, Yukon territorial government and Government of the Northwest Territories.

DELIVERY BY

Native Local Authorities	
Department	100 per cent
Provincial Government	
Other	

REMARKS

Origin of the Claim

The COPE claim was submitted in 1977. It covered the interests of 2,500 Inuit people in the Mackenzie Delta and Beaufort Sea area. An agreement-in-principle was signed in October 1978 which enabled a number of oil exploration projects to proceed. The negotiations for the final agreement were interrupted from May 1979 until January 1983, at which time they were resumed. Agreement was reached in June 1984 and the enabling act of Parliament proclaimed on July 2, 1984.

Basis of Settlement

The main objectives of the settlement were to prepare the Inuvialuit to participate in the northern economy, and to preserve the wildlife and natural environment.

The Inuvialuit received title to 91,000 square kilometres of land, but rights to oil and gas were excluded from 78,000 square kilometres.

Financial compensation to a total of $171.1 million will be paid between 1984 and 1998.

Implementation of the Settlement

Six non-profit Inuvialuit corporations are to be set up to assume control of the property received in the settlement. The six corporations together will control a regional corporation which will supervise, manage and administer Inuvialuit lands. Subsidiary corporations will be established to carry on business activities and invest funds.

The agreement provided for the payment of certain funds within three months and the recovery of advances made to COPE during the negotiations. Discussions held since the agreement indicate the possibility of COPE borrowing $66.6 million against future payments. The expected flow of funds is:

($Million)	**84/85**	**85/86**	**86/87**
Net Outflow	$47.8	$43.3	$12.5

A secretariat to administer the implementation has been established in the DIAND headquarters.

CATEGORY REVIEW

LOCAL GOVERNMENT SUPPORT*

PROGRAMS

Funding for Band Governments (INAC 37) provides band and tribal councils with support to perform their role as elected leaders and to maintain an administative capacity for delivery of services ($83.4 million in 1984/85).

Indian and Inuit Management Development (INAC 317) provides for specific short-term support, including training and the development of plans for management ($10.3 million in 1984/85).

Management Support (INAC 994/2) assists Indian and Inuit groups in acquiring professional management personnel or administrative assistance ($10.7 million in 1984/85)

Consultation and Policy Development (INAC 994/1) equips Indians and Inuit to participate in the processes of government designed to support the development of local self-government ($12.0 million in 1984/85).

Comprehensive Community-Based Planning (INAC 316) equips Indian bands and tribal councils to develop resourcing plans for all aspects of community life ($5.3-million in 1984/85).

---

* During the course of this review, some confusion was apparent over the labelling of certain activity groups. While in some cases "Indian and Inuit Management Development Program" was used as the rubric under which other services were provided, "Band Management" was also used as the comprehensive program heading. This label has limitations in that support is provided to Inuit, who are not organized as bands, under this program heading. The heading "Local Government Support" was adopted, therefore, to minimize public confusion. Consequently, the item INAC 994 from the Approved List of Programs dated February 6, 1985 has been renamed and elevated to a category heading. The review also brought to light three additional program headings, identified as "New" on the list of programs.

BACKGROUND

This program services 570 of a total of 579 bands. The remaining nine are band governments operating under the Cree Naskapi (of Quebec) Act. Nearly 200 tribal councils and associations also receive some form of assistance from this program. Local Government Support enables them to manage more than $800 million in federal funds, including 60 per cent of DIAND's budget.

The program in its present form has been in existence since 1983, although some activities in support of band-management capacity have existed since 1974. There has been slow progress toward program objectives. In 1984, 52 bands received unsatisfatory audits though about half of all bands had adequate community plans.

For a great majority of reserves, "band government" is the single largest employer. On reserves of low economic potential, it is now and will remain virtually the only source of economic activity.

The group of activities which come under the heading of Local Government Support generally support the development of responsible government at the community level.

COMMENTS

The Consultation and Policy Development element of this category has significant potential for overlap with the Secretary of State's Native Representative Organizations Program (SS 26), as well as with minor funding of provincial associations by provinces. Changes to the point of access for these funds would reduce potential for overlap. Alternatively, as discretionary funding, the $13.3 million could be reallocated elsewhere.

The movement toward responsible Indian government at the community level challenges government-wide standards of accountability enforced by Treasury Board and central agencies. Conversely, the accountabilities required by Parliament are seen as a constraint to local decision-making. It is not yet evident how band councils can be more accountable to their members and to Parliament simultaneously; block funding is being explored as a possible remedy.

Ultimately, legislative changes may be required to the Indian Act, as well as changes to Treasury Board approved planning and control structures of departments authorized to fund aspects of Indian local government.

FINDINGS

The Indian and Inuit Management Development Program is due to expire March 31, 1985. The study team can see no reason to extend this program.

Ninety per cent of the $13.3 million in Policy Development and Consultation funding is to Indian associations. These funds, along with DIAND's research and claims funding and funds from other federal departments and agencies, contribute to the overall viability and cash flow to these associations (approximately $102 million total federal funding to 57 key representative associations in 1984/85). DIAND's funding to native representative organizations should be reviewed in the context of a review of overall federal policy on support to native representative organizations.

It is unclear whether the purpose of DIAND's Policy Development and Consultation budget is to provide a service to bands or a service to DIAND. Unlike most other support in this category, funds are not provided directly to bands.

Greater effort and attention, together with a higher profile, are required for Comprehensive Community-Based Planning. This activity could become the base for DIAND's operational planning if it were part of a negotiation process leading to formal multi-year resourcing agreements between the band and government. Any block funding arrangements could be based on this process.

PREFERRED ALTERNATIVE

The study team recommends to the Task Force that the government consider the following:

> DIAND'S Policy Development and Consultation budgets should be decentralized to bands, except for those amounts which DIAND requires for its own purposes. Bands could redesignate some, all, or none of their Policy Development and Consultation budgets to the Indian association(s) of their choice. For DIAND's retained share of these funds, any dollars transferred to associations should be through service contracts in return for specific products or services.

LOCAL GOVERNMENT SUPPORT (INAC 994)

OBJECTIVES

To assist Indian and Inuit to develop, plan and manage effective local governments.

INTRODUCTION

A central assumption of this study team review is that Canada intends to move toward greater decision-making and responsible government at the community level. The Minister of Indian Affairs and Northern Development has affirmed this direction in a number of statements in which he has endorsed the all-party agreement of the Special Committee on Indian Self-Government (Penner Report) of November 1983. The report's principal recommendation called for a new relationship between the federal government and Indians based on recognition of Indian self-government.

The Department of Indian Affairs and Northern Development provides funds under five separate activity headings which are generally consistent with the objective as stated above.

Approximately 570 Indian bands and nearly 200 tribal councils and associations receive some form of financial assistance under the umbrella of local government support.

Indian political structures are evolving from the basis which exists in the pattern established of a chief and council in each community, supported by some form of local administrative staff.

ASSESSMENT

Fully 60 per cent of the Indian and Inuit Affairs budget is now administered at the community level. This represents an expenditure of approximately $800 million in 1984/85. It is in the interests of both the Indian and Inuit people and the taxpayers of Canada to support the evolution of effective local governments functioning within the context of the new relationship described by the Special Committee on Indian Self-Government.

The continuing need for band management support is illustrated by the following:

1. Fifty-two bands whose operations were audited in 1984 received "qualified" audit reports.

2. Only 50 per cent of bands maintained a comprehensive community development plan as of March 1984.

3. Gradual reduction of Indian and Inuit Affairs person-years has been under way for a number of years, in recognition of the trend toward self-management of Indian communities; this situation has limited the department's capacity to resume responsibility for direct program delivery in cases where a band's management performance does not meet the standard of an "unqualified" audit.

DESCRIPTION

This category includes five programs as follows:

1. Funding for Band Government (INAC 37) provides financial support to band and tribal councils to perform their role as elected leaders and to maintain an administrative capacity for delivery of DIAND-sponsored services. Included within this activity is special funding for band employee benefits.

2. Consultation and Policy Development Funding (INAC 994/1) -- consultation funding goes to Indians and Inuit to enable them to meet to discuss program management issues with federal and other levels of government. Policy Development Funding goes to Indian associations to support activities such as preparation of position papers or development of proposals.

3. Comprehensive Community Based Planning (INAC 316) provides funding to band or tribal councils to develop plans that attempt to coordinate and integrate all aspects of community life.

4. Management Support (INAC 994/2) provides support to Indian and Inuit groups in acquiring professional management personnel or administration assistance as required in support of their activities.

5. Indian and Inuit Management Development (INAC 317) provides resources and assistance for specific short-term services to improve management practices and systems including training of band members and the development of band management improvement plans.

EXPENDITURES ($ Million)

	84/85	**85/86**
Funding for Band Governments		
Band Councils	72.6	79.8
Tribal Councils	6.9	8.3
Band Employee Benefits	3.9	3.9
SUB-TOTAL	83.4	92.0
Consultation and Policy Developments	12.0	13.3
Comprehensive Community Planning	5.3	5.6
Management Support	10.7	9.5
Management Development	10.3	3.8
TOTAL	121.7	124.2

OBSERVATIONS AND CONSIDERATIONS

The programs offered in this category focus on improving management skills at the band and tribal council level. A concerted, continuing effort will be required in this area to support the evolution of Indian self-government and constitutional development North of 60.

Management skills at the band level are demonstrably better now than they were a few years ago largely, it is believed, as a result of this program.

Ninety percent of funds for policy development and consultation are contributed to associations rather than bands, unlike other programs in this category. There is considerable overlap with Secretary of State's Native Representative Organizations Program, since both sources (as well as other federal funds) contribute to the overall viability of these organizations. Therefore, results obtained from DIAND sources of funding are difficult to assess.

Community-based planning is fragmented and disjointed from the resource-planning process adopted by DIAND under the government-wide Policy and Expenditure Management System. This leads to "wish-list" planning and inflated expectations at the community levels -- both for levels of service and the speed of program devolution.

The current funding levels do not allow for the full implementation of the policy on funding to tribal councils. It is estimated that an additional $12 million would be required.

The employee benefits plan under the Funding for Band Government Program is new, and is designed to offer an equivalent package to that received by public servants. As currently established, there seem to be few guarantees that the packages set up at the band level will achieve the expected results. There is little assurance that they will be actuarially sound.

Proposed amendments to eliminate sex discrimination from the Indian Act and to provide for bands to control their own membership can be expected to place a greater burden of responsibility and complexity on local government administration.

The administrative structures set up under this program at the band level have resulted in a significant on-reserve industry. The number of on-reserve jobs carried under these programs was not available to the study team. However, a typical reserve (550 members) would have a chief and five councillors, whose compensation package would be covered under Funding for Band Government. In addition there would typically be a band manager, two social assistance administrators, two public works supervisors and three support staff. Based on a rough calculation, this would amount to approximately 8,120 salaried jobs.

One unwelcome side-effect of a program that funds local adminstration without any requirement that it must generate revenues is its potential to foster continued dependence on big government.

The Management Development Program (INAC 317) is due to expire March 31, 1985. This program was introduced as an interim remedy. Only half the bands had produced the required management improvement plans by the end of 1984. It is not clear why the program should be extended.

ALTERNATIVES

Given the emphasis on local self-government and the management capacity at the band level as it exists today, the development, planning and management of effective band-based government merits continued, vigorous support. Some adjustments to the program which warrant consideration include:

1. Reducing or terminating the funding of associations for Consultation and Policy Development, relying instead on the day-to-day interactions and consultations that occur between departmental officials and band councils. The potential savings in 1985/86 would be that portion of the $13.3 million which is earmarked for associations.

2. As an alternative to the above, Policy Development and Consultation budgets could be decentralized to bands to designate at their discretion to the Indian association(s) of their choice. DIAND may wish to retain a certain portion of these dollars for its own purposes in working directly with bands or associations. In these instances, funds could be dispersed on the basis of service contracts for specific products or services from bands or associations.

3. A rework of the Band Employee Benefits plan. This would require a much more detailed study than was possible in the present context. It is not clear that this service is getting value for money.

4. One approach to improving the quality and realism of community-based resource plans would be to make it part of a negotiating process between the bands and federal officials leading to formal community development agreements. These agreements would, in turn, provide the basis for DIAND's resource-needs planning (operational planning).

5. Terminate the Management Development Program (INAC 317) at its date of expiry.

CONCLUSIONS

All five programs in this category support Indians and Inuit at the community level in the development, planning and management of effective local governments, except for consultation and policy development which is geared primarily at the association level.

The objective as stated is consistent with the central recommendation of the Special Committee on Indian Self-Government that a new relationship be established between Indian people and the government of Canada based on the recognition of Indian self-government.

The point-of-access for Consultation and Policy Development Funding should be at the band level rather than the association level.

There is confusion about the labelling of various programs and services at Indian and Inuit Affairs which contribute to the achievement of the stated objective. This confusion should be resolved according to the category and program headings used in this report.

PREFERRED ALTERNATIVE

DIAND's Policy Development and Consultation budgets should be decentralized to bands, except for those amounts which DIAND requires for its own purposes. Bands could redesignate some, all, or none of these funds to the association(s) of their choice. For DIAND's retained funds, any dollars transferred to associations would be through service contracts in return for specific products and services.

PROGRAM REPORT

FUNDING FOR BAND GOVERNMENT (INAC 37)

PART I (SUMMARY)

OBJECTIVES

To provide financial support to band councils to perform their role as elected leaders and to maintain an administrative capacity for delivery of departmentally sponsored services.

EXPECTED RESULTS

Better managed bands.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT
☐ METIS/NON-STATUS ☐ OTHERS
☐ LIVING ON RESERVE OR CROWN LAND
☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	77.5	83.4	92.0	94.1	93.7
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☒	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

FUNDING FOR BAND GOVERNMENT

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	77.5	83.4	92.0		
Operating Expenses					
- Salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs	No dedicated PYs				

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

The program funds band governments and tribal councils including a band employee benefits plan.

If it is assumed that Indian bands have a role to play in management of the band's business, then the objective is valid and can be measured.

The current program has been in place only since 1983/84 and has not yet been evaluated.

Current funding levels are insufficient to fully implement the approved policy by approximately $12 million per year.

This activity may provide a level of service significantly better than other non-Indian communities funded by the provinces.

PROGRAM REPORT

INDIAN AND INUIT MANAGEMENT DEVELOPMENT (INAC 317)

PART I (SUMMARY)

OBJECTIVES

To provide resources and assistance for specific short-term services to improve management practices and systems including training of band members and the development of band management improvement plans.

EXPECTED RESULTS

All bands having approved band management improvement plans.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

This program authority expires 31 March 1985.

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	6.2	9.8	3.8	0	0
PYs	10	8	10	0	0

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☒	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☐	☒	☐
Administrative/Management Constraints	☒	☐	☐	☐

PROGRAM REPORT

INDIAN AND INUIT MANAGEMENT DEVELOPMENT

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85
Grants & Contributions	5.5	7.7
Operating Expenses		
- Salaries	.3	.3
- O&M	1.6	1.8
Capital		
Loans (authorized levels)		
PYs	10	8

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

The objective of this program is complementary to and a logical follow-on from a comprehensive community-based planning activity.

Approximately 50 per cent of bands now have a management improvement plan. To achieve fully the planned results, an extension will be required to this program.

At the commencement of this program, bands understood that it was a limited time, project-specific program. For those bands who took these constraints seriously, the need has been filled. For others, there is no guarantee that more money will result in a product.

It is difficult to assess overlap as it could be debated that a management improvement plan should be a normal product of the Funding to Band Governments Program. On the assumption that they should be separate, then no overlap exists.

PROGRAM REPORT

MANAGEMENT SUPPORT SERVICES (INAC 994/2)

PART I (SUMMARY)

OBJECTIVES

To provide support to Indian and Inuit groups in acquiring professional management personnel or administration assistance as required in support of their activities.

EXPECTED RESULTS

Effectively managed bands through the provision of financing of management advisory services and by monitoring.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/ NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	4.9	9.5	9.5	9.5	9.5
PYs	64	64	64	64	64

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☐	☐	☒	☐
Other Results	☒	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

MANAGEMENT SUPPORT SERVICES

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85
Grants & Contributions	1.6	6.6
Operating Expenses		
- Salaries	2.1	2.2
- O&M	1.2	.7
Capital		
Loans (authorized levels)		
PYs	64	64

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

The objective remains valid although somewhat difficult to measure. The opinion of Indian and Inuit Affairs Program managers is that there has been a significant improvement in the management capacity of bands, due at least in part to this activity.

There seems to be no practical objective way to establish need. However, bands are requesting services and financial support; therefore, their perception would be that they have the need.

This program would serve a second purpose of providing better trained individuals at the band level.

This program is complementary to other programs, particularly to the Management Development program. Once a band has a management improvement plan in place, the implementation would normally be funded from Management Support Services funds.

PROGRAM REPORT

CONSULTATION AND POLICY DEVELOPMENT (INAC 994/1)

PART I (SUMMARY)

OBJECTIVES

To fund Indians and Inuits to enable them to meet to discuss policy or program management issues with federal and other levels of government and policy funding going to Indian associations to support activities such as preparation of position papers or developments of proposals.

EXPECTED RESULTS

Position papers and development proposals and advice; negotiated arrangements.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☒ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	14.8	12.0	13.2	13.2	13.2
PYs	3	3	3	3	3

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☐	☐	☒	☐
Objective Measurable	☐	☒	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☐	☒	☐
Other Results	☒	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☒	☐	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CONSULTATION AND POLICY DEVELOPMENT

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions					
Operating Expenses					
- Salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

This program targets two client groups, bands who receive about 10 per cent of the funding and organizations (mainly associations) that receive the remaining 90 per cent.

In the case of associations, there is a definite likelihood of overlap as in most cases these organizations are also funded by the Secretry of State core-funding program. Comments on funding of associations will be handled in more detail elsewhere in this report.

The current process is for a direct transfer of funds to councils. These funds are often used as travel funds for participation in meetings by council members; including attendance at national and international meetings.

The results to date have been poor. Few concrete examples exist of solid policy poition papers or development proposals. Most of the funds seem to have been spent sending large delegations to meetings where the only output is talk.

A more effective alternative might be the use of a joint task force approach where specifically qualified Indians and Inuit are chosen to work with departmental officials on specific projects.

Still another practical option would be contracting by the government with specific Indian and Inuit organizations to produce positive papers and development proposals.

PROGRAM REPORT

COMPREHENSIVE COMMUNITY BASED PLANNING (INAC 316)

PART I (SUMMARY)

OBJECTIVES

To provide funding to band or tribal councils to develop plans that attempt to coordinate and integrate all aspects of community life.

EXPECTED RESULTS

A band approved and maintained community plan.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	7.6	5.3	5.6	5.6	5.6
PYs	35	35	35	35	35

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☒	☐	☐
Other Results	☐	☐	☒	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

COMPREHENSIVE COMMUNITY BASED PLANNING

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions		3.7			
Operating Expenses					
- Salaries		1.1			
- O&M		.6			
Capital		0			
Loans (authorized levels)					
PYs		35			

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

The objective of this program is basic to the whole planning process. It can be measured by the existence of approved plans.

To date the program has not been in existence long enough to assess results.

The demand for funding has exceeded the funding available for this purpose.

This activity is complementary to other programs in this category. However, because of the central role this activity plays for all activities at the reserve level, consideration might be given to elevating its profile, perhaps by moving it into the policy area of the Indian and Inuit Program.

The program as now run is basically a planning exercise with all the negatives which that might imply. Comprehensive community plans could be better achieved if they were the products of a negotiation process resulting in an agreement between bands and government.

CATEGORY REVIEW

INFRASTRUCTURE

PROGRAMS

Infrastructure Assets and Facilities (1NAC 318) equips Indians and Inuit communities with waste disposal, water, roads, bridges, buildings and power. The program is based on national standards ($186 million and 426 person-years in 1984/85).

Northern Quebec Transfer Agreement (1NAC 88) provides for transfer of responsibility to the province for provision of housing, electricity and municipal services to the Inuit of Northern Quebec. Canada pays $72 million over nine years ending in 1985/86.

Coastal Labrador Airstrips (TC 98) provides airstrips to nine isolated communities pursuant to the terms of union with Newfoundland; expires in 1987/88.

Northern Quebec Air Transportation Infrastructure (TC 100) provides airstrips to 11 Inuit communities pursuant to the James Bay and Northern Quebec Agreement; expires in 1993/94.

BACKGROUND

The programs in this category provide for most of the community capital facilities and transportation facilities for Indians living on-reserve. The federal government pays virtually all capital cost and operating maintenance costs for on-reserve infrastructure. Airstrips in other than northern Quebec and Labrador are not covered here although they are being reviewed as part of the Program Review of Real Property.

The demand for on-reserve infrastructure has been growing at a substantial rate due mainly to two factors:

1. The recent momentum of new home construction in Indian and Inuit communities and installation of water and sewers into 9,400 existing units, a backlog of 10,000 new units and an ongoing need for 2,400 new units per year will continue to demand increasing infrastructure systems.

2. The move to provide an increasing number of major facilities on reserves, particularly schools.

COMMENTS

No significant overlaps occur in the provision of infrastructure.

Existing standards, adopted internally by DIAND over the past three years, result in modern, fully-serviced communities in isolated areas. Most reserve residents and many urban Canadians view this as only right and cite federally funded communities in the Northwest Territories as models. Any changes in standards in the native sector might have implications in the Northwest Territories, where similar standards are used. Such changes in the North would imply changes to the funding arrangements with the Northwest Territories, which might prove difficult to achieve. There is, however, considerable potential for savings, although no figure could be attached at this time. High standards for capital expenditures carry equally high operational and maintenance costs, often well beyond the ability of a community to handle, thereby implying continuing and expensive federal involvement.

The need for infrastructure is currently great and has limitless potential for growth as now managed. It can be expected that as needs are met against present standards, there will be pressure to increase standards. Infrastructure programs could feature minimal standards, rather than existing national standards. Some "user-pay" provisions could be used to turn a portion of the burden of higher standards, including associated operating costs, back to the communities.

FINDINGS

The two airstrip programs must continue, as there is a legal, constitutionally based obligation, and the design standards are considered appropriate for the communities involved.

The on-reserve infrastructure program offered by DIAND is a discretionary policy-based program almost entirely funded by the federal government for both the capital and operation and maintenance costs. This practice far exceeds the support given to municipalities by provincial governments.

There are no direct conflicts in this category with other federal departments, but more cooperation and joint ventures with provincial governments would result in much improved and comparable services in communities where there are both status Indian and Metis and non-status Indian populations. Potential cost savings would also occur.

There is a perception within DIAND, implicit in departmental, nationally applied infrastructure standards, that reserve residents can and should be provided with services at government cost without regard to the potential economic viability of the community. This perception would seem faulty, particularly in view of current economic realities. It is a view not shared by provincial governments.

There is an immediate need to develop and implement a more rational set of standards based not only on need, but also particularly on economic potential and user-pay cost recovery.

PREFERRED ALTERNATIVE

The study team recommends to the Task Force that the government consider the following:

> Continue the programs but establish a set of minimum standards for targeted application to communities, a subsidy program to pay a part of upgraded services, and a user-pay principle for operations and maintenance.

INFRASTRUCTURE ASSETS AND FACILITIES (INAC 318)

OBJECTIVES

To assist and support Indian bands, Inuit communities and individuals to establish and maintain a level and quality of community capital facilities consistent with approved policies and standards.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

Most Indian and Inuit communities, because of their remoteness and limited natural resources, do not have the economic capability to meet the cost of essential capital facilities. Therefore, funding by the Department of Indian Affairs and Northern Development is a critical source of support for the capital works program in these communities. The cost of on-reserve facilities is extremely high due to the isolation of many communities and their low settlement densities. These factors result in increased costs for transportation, skilled labour and materials.

DIAND provides a program based on national standards, on a needs basis.

ASSESSMENT

The recently developed internal DIAND standard is that every home should have indoor domestic liquid waste disposal, indoor potable, safe water supply and electricity to a minimum of a 3 kilowatt generator. A backlog of 9,400 units do not meet these standards out of a total housing stock of about 46,500 units.

The current level of funding allows for infrastructure hookups to approximately 2,800 houses per year, reducing the backlog by 400. At this rate applied against current standards it will require some 24 years before the backlog is eliminated.

DESCRIPTION

Through this program, the Department of Indian Affairs supports the construction, operation and maintenance of community capital facilities, such as water systems, sanitation, hydro, roads, community buildings, fire protection and special services such as flood and erosion control.

The program assists Indian and Inuit communities to obtain physical infrastructure that meets recognized standards for the protection of life, health and property. This is done by managing the implementation of capital projects, by funding band-managed projects and by providing professional and technical expertise. Also included is the implementation of a maintenance management system for capital assets.

The program is almost entirely managed by regions with bands administering two-thirds of the total funds. The activity is supported at headquarters and in the field by the Technical Services and Contracts Branch of the department's Administration Program. The resources consumed by this branch have been reflected in this report.

EXPENDITURES ($ Million)

	84/85
Salaries and Wages	15.5
Other O&M	16.2
Grants and Contributions	37.4
Capital - Band Managed	92.7
- Departmentally Managed	30.3
TOTAL	192.1
PYs	426

OUTPUTS

Current data indicates the replacement cost of assets on-reserve across the country stands at approximately $2.8 billion excluding housing. Housing replacement costs would run to about $2.3 billion.

On-reserve assets as of the end of 1984 are as follows:

Buildings (sq. metres)	**National Assets Totals**
Schools	465,959
Teacherages	112,555
Student residences	89,265
Other institutional	122,544
Recreational	274,006
Utility	24,262

Buildings (sq. metres)	**National Assets Totals**
Industrial	217,441
Administrative	159,878
Fire halls	20,780

Water Supply

Systems (metres of main)	1,211,710
Pumphouses (ea)	852
Treatment facilities (ea)	210
Water trucks (ea)	108
Fire trucks (ea)	182

Wastewater Collection

Systems (metres of main)	552,147
Lift stations (ea)	107
Collection vehicles (ea)	16
Lagoons (ea)	272
Mechanical plants (ea)	59

Transportation

Roads & bridges (km)	8,345

Electrical Power

Distribution lines (metres)	172,116

Solid Waste

Landfill Sites (ea)	329
Collection Vehicles (ea)	105

CONSIDERATIONS

There is no overlap with provincial governments in providing similar services targeted to the same population. There are, however, many instances of communities which consist in part of Indians living on reserve land and in part of other persons living on adjacent lands. In several instances, as an apparent result of lack of cooperation, two separate and often incompatible systems have been developed or alternately, the reserve has been fully serviced while the remainder of the community remains unserviced.

Essentially all costs for construction and most of the cost of operations and maintenance of on-reserve infrastructure are paid by the federal government. Many reserve residents resist attempts to impose user fees of any sort. However, some of the bands who are better off do recover most of the operating costs, and a significant number of bands recover a portion of the costs. DIAND does not require bands to collect user fees.

The argument has been put forward that if user fees are charged, they will be paid out of social assistance. While this is indisputably true, it is not clear that this would result in a substantial increase in social assistance costs. Some DIAND managers maintain that recipients are already being funded through their shelter allowance for this purpose. Hence, a significant savings might be achieved. Further, it can be argued that there is a psychological advantage to having people pay for services they receive, even when given the money to do so.

All reserves are being supplied with infrastructure to a level and quality comparable to southern Canadian communities with comparable population densities. No consideration is given to the overall viability of the community in making this determination. Uniform, national standards do not seem appropriate. In some cases, significant hard feelings are created when reserves are seen to be getting much better services than surrounding communities.

Many isolated reserves, having no obvious potential for financial independence, are being developed as full-service communities. These communities will require virtually 100 per cent government funding forever. It would seem more appropriate to provide only a minimal standard to reserves of this type.

The infrastructure program is not being used to encourage population migration from areas of little or no economic potential to areas of much higher potential.

This program is known to provide a significant amount of local employment both in the construction phase and during the ongoing operation. Although no definitive figures are available, it is likely that this program accounts for more jobs than any other source.

All new infrastructure is being built to recognized national standards, with most following the National Building Code.

ALTERNATIVES

While there is no substantial overlap or duplication in the provision of infrastructure, one or more of the following alternatives might be considered:

1. To change from the nationally-applied set of standards to minimum standards. All communities would be provided with this base level of service. Communities desiring better levels of service could be subsidized for part of the additional costs; the level of service in communities (beyond minimums) would, therefore, be determined on the basis of community-based priorities and ability to pay.

Comment

This option would reinforce success and make it possible to save substantial funds or conversely to provide even higher standards to those reserves having economic potential.

2. Establish the infrastructure program as a "user-pay" program including at least part of the initial capitalization.

Comment

This option would greatly reduce the long-term expenditures by government. Non-economic reserves that could not afford sophisticated infrastructure would have to make do with what they could afford, although below minimum health standards could result. Indian bands would have to address the issue of revenue generation on reserve in the same way as noh-Indian communities do. The program resulting from this choice of option could be set up to parallel individual provincial programs; perhaps through bilateral agreement provinces could be convinced to run the program.

CONCLUSION

There is no overlap or duplication associated with this program.

However, in no area of the native sector is there so great a potential to significantly change the federal government/Indian relationship as in the provision of reserve infrastructure. To get out from under an ever increasing and practically limitless demand for services, some major changes will be required. Both alternatives have potential for long-term savings. All are seen as being coupled with Indians on reserve taking a greater responsibility, including financial, for their chosen way of life.

PREFERRED ALTERNATIVE

Continue the program but establish a set of minimum standards for targeted application to communities, a subsidy program to pay a part of upgraded services, and the introduction of a user-pay principle for operations and maintenance.

PROGRAM REPORT

NORTHERN QUEBEC TRANSFER AGREEMENT (INAC 88)

PART I (SUMMARY)

OBJECTIVES

To transfer to the Province of Quebec responsibility for the provision of housing, electricity, water, sanitation and related municipal services to the Inuit of Northern Quebec. To cede to Quebec the installations, houses, equipment and vehicles required for the provision of the above services. Canada is committed under the agreement to pay Quebec $72 million at the rate of $8 million a year for nine years. Thirty million dollars in capital assets were transferred to Quebec upon signing of the agreement.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☐ STATUS INDIAN ☒ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	8.0	8.0	8.0	8.0	8.0
PYs	0	0	0	0	0

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☒	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

NORTHERN QUEBEC TRANSFER AGREEMENT

PART II (SUPPORTING DETAIL)

AUTHORITY

Constitutional - James Bay and Northern Quebec Agreement.

MINISTER RESPONSIBLE

Indian Affairs and Northern Development.

EXPENDITURES ($ Million)

	83/84	84/85	85/86
Grants & Contributions			
Operating Expenses			
- Salaries			
- O&M			
Capital			
Loans (authorized levels)			
PYs	8	8	8

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	100 per cent
Other	

REMARKS

This project is progressing as per the federal/provincial agreement.

COASTAL LABRADOR AIRSTRIP PROGRAM (TC 98)

OBJECTIVES

To provide airports to nine isolated Labrador communities which will allow service by wheel-equipped Twin Otter-type aircraft.

AUTHORITY

Terms of Union Canada/Newfoundland, Department - Transport.

INTRODUCTION

A need was recognized to provide air service into all 14 northern Labrador communities, five of which already had airstrips. The federal government undertook the construction of the remaining nine airstrips in recognition of its responsibilities pursuant to the Terms of Union with Newfoundland. A federal/provincial agreement was signed that binds Canada, through Transport Canada, to the construction of the necessary airstrips and Newfoundland to the ownership, management, operation and maintenance.

ASSESSMENT

Beneficiaries of this program include natives and non-natives alike. The program is still required by the agreement.

DESCRIPTION

The program provides for each community to have the following facilities:

an airstrip (760m X 23m);
maintenance equipment;
a shelter for the maintenance equipment;
a passenger waiting room;
electric power;
runway approach and edge lighting;
an access road; and
a suitable terminal electronic navigation aid.

EXPENDITURES ($ Million)

	84/85
Salaries and Wages	.1
O&M	
Contributions	13.7
PYs	1

OUTPUTS

Of the 14 communities, only three remain without airstrips with scheduling as follows:

Fox Harbour	1985/86
Red Bay	1986/87
Hopedale	1987/88

CONSIDERATIONS

The program is almost complete. Any cancellation would leave three communities without land-based, year-round air service and would violate the Terms of Union and a federal/provincial agreement.

CONCLUSION

No realistic alternatives exist as long as standards are appropriate. The program should continue until its expiry in 1987/88.

NORTHERN QUEBEC AIR TRANSPORTATION INFRASTRUCTURE (TC 100)

OBJECTIVES

To provide airports to 11 Inuit communities in northern Quebec.

AUTHORITY

Constitutional; Department - Transport.

INTRODUCTION

As part of the James Bay and Northern Quebec Agreement, the Inuit communities receive services from the Province of Quebec though the federal government agreed to build airports.

A federal/provincial agreement was signed on September 27, 1983 to build 11 airports, under provincial project management. Canada's contribution is limited to $41.1 million.

ASSESSMENT

Beneficiaries of this program are mainly Inuit. The program is required as per the agreement.

DESCRIPTION

The agreement calls for the construction of one 1220-meter, paved runway at Povungnituk and 10 1065-meter gravel runways.

Each airport will include, in addition to a runway:

- taxiway and apron;
- runway and taxiway lighting;
- non-directional radio beacon, runway identification lights, rotating beacon and lighted windsock;
- electric power supply;
- access road;

- weather and communications equipment;
- maintenance equipment; and
- air terminal and warehouse.

The costs are to be shared 60/40 by Canada and Quebec.

EXPENDITURES ($ Million)

	84/85
Contributions	3.6
Salaries	.5
Capital	9.0
PYs	13

PROGRAM OUTPUTS

One airport is now under construction.

CONSIDERATION

Canada is bound by the provision of the James Bay and Northern Quebec Agreement to provide these airports. Implementation of this agreement, signed in 1976, has already been delayed.

CONCLUSION

No realistic alternatives exist. The program should continue until its completion.

CATEGORY REVIEW

HOUSING

PROGRAMS

Both the Department of Indian Affairs and Northern Development (DIAND) and Canada Mortgage and Housing Corporation (CMHC) provide assistance to native people through a collection of programs that cost the Government of Canada approximately $190.5 million in 1984/85. The programs are:

1. Indian and Inuit Housing (INAC 40) -- as of April 1, 1984 about 46,500 housing units had been built in Indian and Inuit communities under this program, which was expected to spend $102.1 million in 1984/85 under the authority of the Appropriation Act.

2. Rural and Native Housing (CMHC 8) -- the native component of this program is delivered under the National Housing Act (NHA). It encompasses eight program components costing approximately $88.4 million in 1984/85.

BACKGROUND

The federal government is under no legal obligation either through the Constitution or through treaties to provide housing for Indians and Inuit, either on or off reserves. The decision to do so was solely a policy decision based on need. The need for housing assistance to disadvantaged Canadians has been met off reserves through programs which are generally accessible to anyone, including natives. However, for Indians on reserves, certain unique circumstances have resulted in special programs being designed. These circumstances include:

1. The traditional role of the Minister of Indian Affairs, imposed in part by the Indian Act and in part by the historical evolution of that role.

2. The nature of land tenure on reserves, also rooted in the Indian Act.

3. The present inability of lending institutions to secure protection by holding mortgages on reserve-based property.

The same circumstances have prevented widespread development of a free market in reserve housing. However, there are some instances where innovation has established a basis for buying and selling houses among Indian reserve residents, notably in Ontario and Quebec.

On-reserve housing continues to be among the poorest in Canada. Of 46,500 units, an estimated 11,000 are in need of major renovations. One in three houses is overcrowded (more than one person per room).

An estimated 10,000 new housing units are required to meet the backlog created by more than one family living in a house. In addition, 2,400 new units are needed each year to keep pace with new family formation, not considering new demands resulting from reinstatement.

Overcrowding is blamed for contributing to such social problems as marriage breakdown, alcoholism, child abuse and delinquency.

New homes are being constructed to national standards (NHA) which makes the return to reserves attractive to some Indian people, for reasons of accommodation alone.

COMMENTS

Virtually all on-reserve housing is being built using federal government programs. No private risk capital is flowing into this market. Although there are no firm figures available, a somewhat similar situation appears to exist for most off-reserve natives.

The demonstrated need is so great it is clear that changes are required in legislation and programs to encourage some form of private housing market. One possible way to achieve this might be through setting up an Indian financial institution, using Indian trust funds as initial capatilization. (See reserves and trusts assessment.)

The programs offered for native housing are so interwoven at the reserve level that it is artificial to separate the two. Both programs are linked to other government programs such as Native Economic Employment Development (NEED) and welfare as job creation programs.

There is ample reason and incentive to pursue pilot projects, increased private funding and support of new technologies. Pilot studies would establish the applicability of market innovations such as exist at Six Nations to other regions of the country.

There is no denying the need for Indian housing or the size of the backlog, but to meet it has and will stretch government fiscal capacity. The alternative of attracting private capital needs much more attention and imagination. Some form of guarantees to private lenders may warrant consideration, but also in need of change is the apparent attitude toward Indian housing -- it is neither a "right" nor a gift.

In many cases, to the extent that housing is available on reserves, Indians can now get a better home there than is often available in adjacent communties. There is, therefore, an implied incentive to live on a reserve even if it has no economic base nor hope of one in the forseeable future.

The people who live on reserves should not be penalized by the government's efforts to ensure they have adequate housing. Resources available to provide a range of services to Indians on reserve should not be diluted because upgraded housing becomes an incentive to move back to reserves -- especially those reserves with no self-sustaining economic base. This principle should be uppermost in whatever course of action is chosen.

FINDINGS

There is a clear and well-defined need for special housing assistance to Indians on reserve and to Inuit. Structural changes will be required if the expanding demand for reserve housing, due to population trends and other phenomena, is going to be met without very significant increase in government funding. Despite major increases in funding in the past, it would require $500 million at current average cost per house to eliminate the backlog. This would severely stretch the fiscal capacity of the federal government, so alternative measures to attract private capital are essential.

An assault on the backlog and burden of housing should have:

1. A single but flexible program adaptable to local needs and conditions and negotiated by band councils.

2. Private, public and native investment in the housing stock.

3. Standards of construction that do not prohibit innovation, new technologies and local adaptation.

The ability to deliver housing to on-reserve Indians is directly linked to the provision of infrastructure. DIAND should retain overall planning authority and control for on-reserve housing to maintain this critical linkage.

"Social" housing should be economical, durable and focus solely on need. This implies greater density of housing and targeting to communities of greatest need.

Off-reserve housing should be provided to natives in the same way and to the same extent as to any other Canadian.

PREFERRED ALTERNATIVE

The study team recommends to the Task Force that the government consider the following:

Change to provide identical social housing assistance both on and off reserves should be phased-in. Initially, existing targets for on-reserve housing should be held constant while a fundamental review drawing on outside expertise is undertaken. The task would be to develop a new program that eliminates overlaps and inconsistencies, and in particular:

- ensures there is no incentive through housing assistance to remain on reserves with no long-run economic potential;
- provides housing assistance on the basis of need, not as a "right";
- attracts private capital into the Indian housing market; and
- reviews design standards appropriate for local conditions and provides incentives for new technologies.

INDIAN AND INUIT HOUSING (INAC 40)

OBJECTIVES

To assist and support Indian bands, Inuit communities and individuals to establish and maintain a level and quality of family living accommodation consistent with approved policies and standards.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

For most Canadians adequate housing remains a personal responsibility. However, in recent years there has been an increasing intervention into the housing field by all levels of government. Home rental and ownership programs have been targeted to low-income groups. Nearly 100 per cent of Indian housing is provided by the federal government.

There are a number of common characteristics of the housing stock on reserves. Since reserve land is held in common by the band, individual interest or title to any "lot" is severely limited, and is not subject to the normal right of descent, bequest, lease or sale. As a consequence:

1. Most houses are "owned" by the band and controlled by band councils.
2. Band councils "rent" accommodation at the break-even point for operation, while the federal government is expected to subsidize construction, renovations, and rent for low-income "tenants".
3. There is minimal established sales market.
4. There is minimal private rental accommodation available.

In addition:

1. There is a shortage of accommodation. Nearly one in three on-reserve houses is overcrowded.

2. Most of the housing stock is in the form of individual family homes.

This system does not allow individual band members to build negotiable equity in a home. For most Canadians, home equity accounts for the greatest portion of their personal wealth. It is often used as a springboard to starting small business ventures. Denying Indians such an opportunity deprives Indian reserves of a valuable source of wealth creation.

ASSESSMENT

Current increases to the housing inventory on reserve are barely able to keep up to demand created by new family formation, fire or deterioration. The backlog is estimated to be 10,000 new units and 11,000 renovations. It is not expected that current levels of construction will begin to reduce the backlog for many years.

On most reserves, unemployment is running between 50 per cent and 70 per cent. Even among those employed, few are able to afford a home. It can therefore be assumed that the greatest need is for subsidized housing.

The off-reserve picture is less clearly understood. As a result of financial restraint, DIAND has recently cancelled its off-reserve housing program. This program had become little used as a result of outdated rules and funding levels.

The removal of sex discrimination from the Indian Act and reinstatement of persons discriminated against in the past may result in an increased demand for housing. In the future an estimated 400 more families per year will be entitled to remain on reserve than are at present.

DESCRIPTION

DIAND is the federal agency responsible for Indian housing policy and for delivery of housing programs on reserves. The On-Reserve Housing Program offered by DIAND is composed of:

1. Subsidy Housing Program -- a contribution toward the construction or purchase of a new house or for renovation of an existing house. The current subsidy levels for new construction vary from a minimum of $19,080 to a maximum of $50,000 in high-cost, remote areas. An average subsidy of $6,000 is given for renovation.

2. Housing Support -- a budget of $3.05 million is available to provide bands with the necessary management, technical and planning skills as well as inspection and training funds for their housing programs.

DIAND no longer supports new off-reserve initiatives, although the program will continue to consume resources until the existing subsidy agreements expire.

EXPENDITURES ($ Million)

	83/84	**84/85**	**85/86**
Grants & Contributions			
- O&M	1.8	2.55	2.5
- Capital	112.4	96.49	97.7
Operating Expenses			
- Salaries	.69	.77	.80
- O&M	.78	.93	.78
Capital	3.27	2.17	.06
Loan Guarantees		320.0	
PYs	25	25	25

Regional Inventory

Region	**Existing Units as April 1/84**	**1984/85 Housing Target**	**Regional Percentage Housing Band Ownership**	**Regional Percentage Housing Individual Ownership**
Atlantic	2,145	110	90	10
Quebec (incl. Cree & Naskapi)	5,506	224	59.2	40.8
Ontario	13,723	517	40	60
Manitoba	7,500	502	99	1
Saskatchewan	4,750	424	99	1
Alberta	4,857	277	100	-
B.C.	7,530	639	80	20
Yukon	500	43	100	-
TOTAL	46,511	2,736		

OBSERVATIONS AND CONSIDERATIONS

There is no appreciable free market in housing on reserve due mainly to the land regime under the Indian Act. The potential for building houses on long-term lease hold lands has not been exploited, since most private lenders are daunted by the risks. Even Canada Mortgage and Housing Corporation requires a loan guarantee from the Minister of Indian Affairs before it will provide funds for on-reserve housing.

The normal lender's protection available through a mortgage is not possible under the Indian Act. Given the shortage of housing on reserve it is difficult to conceive of a house sitting empty for long. Another way for private lenders to get protection would be for the bands to guarantee the income stream by allowing the lender to attach band revenues in the case of default. Bands would then be responsible for assuming the mortgage and either renting or reselling the house.

The absence of individual ownership discourages occupant upkeep and repair, which results in more rapid deterioration of units.

Lack of money for the provision of community infrastructure may limit the extent to which new housing can be placed on reserve. Given that DIAND will continue to provide or support the provision of infrastructure, it would seem to be prudent to have it retain overall planning authority for on-reserve housing.

All new subsidized housing is being built to recognized, approved standards, a majority to the National Building Code. By the end of 1984/85, 2,736 new units will have been built or 236 more than the government's target for the year. Almost all housing units are detached single-family homes.

The existing standards provide housing on reserve that is often better than what is available in neighbouring rural and remote communities. High standards are likely to influence Indians to return to reserves, creating additional demand for other services paid for by the federal government.

Everyone's dream is a private dwelling on a large lot, but it is not a government responsibility to provide this. Social housing should be basic, durable enough to see a return on investment and concentrated in communities with the weakest economic base. Multi-unit buildings targeted to communities with greatest need will make maximum use of financial resources. The James Bay Cree, who are now entirely responsible for the provision of housing, have recently decided to investigate the feasibility of providing multi-unit buildings to meet their ongoing need.

On many reserves the housing program provides a major source of employment. Housing funds are combined with social assistance, CEIC funds (NEED) and occupant labour which provides a significant input to the local economy.

The existing rules and methods of delivery of the different segments of the housing program appear to be unnecessarily restrictive and complex. A more flexible, client-oriented program, negotiable at the band level seems to be required.

Many bands build houses entirely from federal funds. In these cases, no leverage is being achieved with the funds.

The housing program as now established on reserves is, to a significant extent, another form of social assistance. It would be better to encourage individual responsibility (and probably significantly cheaper) through separation of these functions. To do this, housing allowances through social assistance must be sufficient to pay an economic rent for the unit occupied. To keep the cost down, modest yet adequate and durable housing must be available on reserve. Such housing could be owned by the band, by non-profit housing cooperatives or by strictly controlled individual investors (to prevent profiteering and to maintain quality).

On many reserves in Ontario and Quebec, there are a significant number of reserves which have established a system of individual home "ownership" within the terms of the Indian Act. One example worthy of note is the Six Nations reserve where housing is held individually. Housing subsidies received from DIAND are placed in a fund from which individual members may borrow. Virtually all land has been assigned to individual members (families) and land is bought and sold among band members. Any member wishing to move back onto reserve who may not have a family willing to give them a plot would have to buy land from some other member. The size of the market keeps prices low but a market does exist and is growing.

In general, in Canada the provision of social housing and control of housing is a local responsibility. With the general movement towards self-government, housing is a prime example of an activity which could be assumed locally. There would still be a need for advice to access private funds. In the interim, pilot projects could explore the private market, working perhaps with an Indian financial institution.

ALTERNATIVES

The Task Force might wish to consider one or more of the following alternatives:

1. Encouraging a greater participation in on-reserve housing by the private sector through:

    - Changes to the Indian Act to allow bands to opt for and authorize a freehold-type, or long-term transferable leasehold land regime. Band membership rules would in alllikelihood allow only Indians to occupy a house, although non-Indians could own the building and use the land. Financial institutions might still be reluctant to approve mortgages under such an arrangement. Although a non-Indian might gain long-term use of land, the land would still remain part of the reserve and owners would be subject to non-punitive and non-discriminatory by-laws and resolutions of the band.

    - The establishment of a national Indian-owned and controlled financial institution could improve the access to Indian and non-Indian long-term financing. In a growing number of instances, Indian communities have funds which are surplus to their immediate needs (see proposal for an Indian-owned financial institution in the review of reserves and trusts). This option has the potential of bringing into the market, at no net cost to government, large amounts of Indian and private sector financing. It is possible that bands, perhaps as shareholders, would become much more pro-active and involved in the process as a whole.

- Changes to operating procedures to insure the income stream to a lender as discussed above.

2. Consolidating all housing programs to any specific group within the aboriginal sector under the responsibility of a single minister. This could be done by:

    - Changes to the DIAND Act to make the Minister of Indian Affairs responsible for delivery of housing to all native people. This option would set a precedent in that, to date the Minister of Indian Affairs has been responsible only for on-reserve Indians. Further, the status quo is maintained in that the federal government remains almost the only source of funding.

    - Splitting the existing NHA programs so that all on-reserve housing is managed by DIAND and all off-reserve housing is managed by CMHC. This could be achieved by changes to the National Housing Act. This option onceagain fails to bring any new funding into the housing program or to establish any private sector market.

3. Using new and innovative approaches to reduce the cost of the individual unit. This could be done by:

    - Construction of basic, no-frills multi-unit buildings.

    - Providing funding for the development of new technologies to pilot projects to try out new developments.

4. Creating a semblance of a free market for housing by transferring housing assistance to individuals rather than bands. This could be done by:

    - Transferring housing subsidies to individuals on a "needs" basis, rather than on the basis of right.

- Establishing a "user-pay" system between bands and individuals whereby bands act as rental housing agents.

CONCLUSIONS

The duplication which occurs in the provision of housing assistance to Indians on reserves is extraordinary. Between DIAND and CMHC there are eight individual program elements which provide housing assistance on reserves in the form of homeowner loans, contributions and outright subsidies. In addition, CMHC administers another four distinct mechanisms to assist non-profit corporations to provide housing for native people in urban settings, some of which are also reserve settings. It would take substantially more time than is available to the study team to unravel the various circumstances that lead to programming overlaps in specific cases. That chore will have to be left to a follow-up review.

Off-reserve housing to native people should continue to be provided as it is, under the Rural and Native Housing Program of CMHC.

PREFERRED ALTERNATIVE

Existing targets for on-reserve housing should be held constant pending the outcome of a fundamental review over the coming year of DIAND and CMHC programs. The review would draw on outside expertise and be required to develop an action plan for a revised program which eliminates overlaps in on-reserve housing assistance, is based on need and considers new approaches to attract private capital and new technologies.

RURAL AND NATIVE HOUSING (CMHC 8)

OBJECTIVES

To assist in providing adequate housing for natives in all areas of Canada, including Indians on reserves and Inuit.

INTRODUCTION

This program is administered by Canada Mortgage and Housing Corporation (CMHC) under the National Housing Act (NHA). About 45 per cent of homes on reserve are covered by this program. Approximately 33 per cent of the budget of this program is spent on native housing on and off reserve.

ASSESSMENT

See the previous program assessment of need on the Indian and Inuit Housing Program administered by the Department of Indian Affairs and Northern Development (DIAND).

DESCRIPTION

DIAND is the lead federal agency for Indian housing policy and for the delivery of housing programs on reserves. The On-Reserve Housing Program is supported by CMHC as follows:

1. NHA Section 59 Homeowner Loans -- direct loans at the current interest rate to Indian residents on a reserve, secured by the guarantee of the Minister of Indian Affairs and Northern Development rather than by a mortgage. DIAND usually provides a grant of up to $22,000 with the loan. This program has been operating since 1968.

2. NHA Section 59 Rental Loans -- provides direct loans to Indian band councils for the construction of rental units, secured by a ministerial guarantee. The projects qualify for section 56.1 Interest Reduction Assistance and are subject to the criteria of the Non-Profit Program used off reserves.

3. NHA Section 34.1 Rehabilitation Loans -- direct loans to either individual Indians or to band councils, secured by a ministerial guarantee. Forgiveness of a portion of the loan is calculated in the same manner as for off-reserve housing. Residential Rehabilitation Assistance Program loans have been made on Indian reserves since 1976 and all reserves are eligible. DIAND is responsible for determining priorities between bands.

4. NHA Section 6 Insured Lending -- allows approved lenders to accept security other than a mortgage in the case of loans made on reserve. Forms of security similar to the ministerial guarantees now given to CMHC, have been developed by DIAND and CMHC.

CMHC has the responsibility for coordinating the delivery of social housing units for native people living in urban settings, using sections 56.1, 34.1, 6 and 37.1 of the National Housing Act.

Starting in 1971, CMHC has supported native sponsors of private non-profit corporations in the provision of housing for native people in urban settings. Since 1978, there has been a specific initiative to increase the number of units available, in conjunction with the Native Council of Canada. At the present time, the following programs apply:

1. NHA Section 56.1 Private Non-Profit -- the basic contribution made by CMHC to the non-profit group is an interest rate reduction from the current interest rate charged by a lender to two per cent. This interest rate reduction continues over the length of the mortgage.

2. NHA Section 6 Insured Loans -- CMHC no longer provides direct loans to non-profit groups. When mortgages are procured from approved lenders, CMHC will provide 100 per cent mortgage insurance.

3. NHA Section 34.1 Rehabilitation Loans -- where existing housing is acquired, the Corporation may provide mortgage insurance on that portion of the mortgage necessary to modify or bring the project up to standard. In addition, a portion of this Residential Rehabilitation Assistance Program loan

may not need to be repaid, with the forgiveness earned over time.

4. NHA Section 37.1 Start-up -- CMHC provides financial assistance to develop a housing proposal to the point where a loan application can be made.

EXPENDITURES ($ Million)

Budgetary Expenditures
Aboriginal Component
Rural and Native Housing Programs

Program	82/83	83/84	84/85	85/86
Sec. 40 Homeowner & Rental	5.4	12.0	15.6	12.9
Sec. 34.1 DIAND RRAP	10.9	10.3	11.8	10.2
Sec. 34.1 RNH RRAP	15.7	19.1	19.9	17.1
Sec. 56.1 Urban Native	8.9	9.4	12.6	19.2
Sec. 56.1 DIAND	8.5	18.8	20.4	27.1
Part V RNH Training	1.0	1.0	1.8	1.9
Part V RNH Sustaining	3.3	3.0	3.0	4.6
Part V RNH Project Funds	.1	.1	.2	.4
Part V RNH Start-up	1.4	.1	.4	.3
Part V Emergency Repairs	1.7	2.3	2.8	3.6
TOTAL	56.9	76.1	88.5	97.3

OUTPUTS

Output statistics are not yet available for 1984/85. The following table shows the total housing units to the end of 1983/84 for which there is a detailed breakdown of units built for natives only, on and off reserve.

	On Reserve	Off Reserve
NHA Section 34.1 DIAND RRAP	11,278	
NHA Section 34.1 RNH RRAP		24,804
NHA Section 56.1 Urban Native		1,607
NHA Section 56.1 DIAND	3,190	

OBSERVATIONS AND CONSIDERATIONS

See the previous program assessment on the Indian and Inuit Housing Program administered by the Department of Indian Affairs and Northern Development.

ALTERNATIVE

See the previous program assessment.

CONCLUSIONS

The duplication which occurs in the provision of housing assistance to Indians on reserves is extraordinary. Between DIAND and CMHC there are eight individual program elements which provide housing assistance on reserves in the form of homeowner loans, contributions and outright subsidies. In addition, CMHC administers another four distinct mechanisms to assist non-profit corporations to provide housing for native people in urban settings, some of which are also reserve settings. It would take substantially more time than is available to the study team to unravel the various circumstances that lead to progamming overlaps in specific cases. That chore will have to be left to a follow-up review.

Off-reserve housing to native people should continue to be provided as it is, under the Rural and Native Housing Program of CMHC.

PREFERRED ALTERNATIVE

Existing targets for on-reserve housing should be held constant pending the outcome of a fundamental review over the coming year of DIAND and CMHC programs. The review would draw on outside expertise and would be required to develop an action plan for a revised program that eliminates overlaps in on-reserve housing assistance, that is based on need and that considers new approaches to attract private capital and new technologies.

CATEGORY REVIEW

INDIAN AND INUIT HEALTH SERVICES

PROGRAMS

There are two major programs in this category, the first of which has a number of funding sub-components:

1. Indian and Northern Health Services (HWC 20) (1983/84 - $314.1 million and 2,512 person-years). This program provides health services to Indians and Inuit in the provinces and all residents in the territories. Its major sub-components are:

   - Community Health Services (which include communicable disease control, medical advice and assistance, nursing services, mental health, nutrition and health education).

   - Environmental Health and Surveillance (including analytical services, liaison, inspection, public health engineering and regulatory services).

   - Non-insured Health Benefits (of which Dental Services is a major component, but also includes drugs, glasses, orthopaedic supplies, transportation and payment of health care premiums).

   - National Native Alcohol and Drug Abuse Program (NNADAP) (which covers contributions to native communities to provide identification, treatment and rehabilitation services).

   - Hospital Services (which includes the operations, administration and maintenance of hospitals, nursing stations, health centres, etc., both on and off reserves).

   - Capital Construction (which includes the building, upgrading or adding to hospitals, nursing stations, health centres, etc., both on reserve and in approved non-reserve locations).

2. Transfers to the Northwest Territories/Yukon governments for payments of services provided to Indians and Inuit in the territories (1983/84 - $10.2 million). These payments are made on the basis of charge-backs for:

- Services provided directly to Indians and Inuit in the Northwest Territories; and

- Payment of health care premiums in Yukon.

BACKGROUND

There is no direct federal government legislative requirement for the provision of these services. In spite of cases brought before the courts, there is only some limited treaty responsibility to be exercised in the health care area. Services have been and continue to be provided on the basis of custom and federal policy.

Until 1945, the Department of Indian Affairs provided health care services to Indians on reserves. At that time, the responsibility was transferred to the Department of Health and Welfare, where it still resides.

COMMENTS

In spite of ongoing concerns about the health conditions of Canada's Indians and Inuit, major advances have been achieved. The major killing diseases of earlier European contact years have been either eradicated or reduced to bare minimums -- smallpox, tuberculosis, measles, diphtheria, etc., no more threaten the native population than they do other Canadians.

The major causes of death and debilitation on reserves, in far higher proportions than in other communities, now stem from injuries associated with violence, either deliberate or accidental. The rates of deaths related to traffic accidents, gunshot wounds, drug and alcohol abuse, family violence, and suicide are six times those of the population-at-large.

FINDINGS

In order to provide health services appropriate to local community needs, HWC has undertaken some major steps in the training and utilization of native para-professionals, particularly the community health representatives and dental therapists. The use of para-professionals also leads to lower costs in the provision of health care. However, provinces refuse to recognize these para-professionals and, since they can only offer their services on reserves, these tend to become "dead-end" career development opportunities.

The major area of uncontrolled, escalating costs is that of non-insured health benefits. While these are an integral part of health care services, their provision upon demand, without relationship to the ability of the patient to pay for them, is not. Unless some legitimate and reasonable means are found to counter the present deficiencies in this program, this area of health expenditures will place an ever more crippling burden on the whole health care program.

The continued provision of certain Indian hospital services appears to be no longer strictly necessary. In some centres (Cardston, Alberta and Sioux Lookout, Ontario), it would appear there is unnecessary and costly duplication of Indian Health Services and municipal facilities.

There is a major problem of overlap in the provision of health services in the territories. HWC provides the funding for all medical services in the North, both to natives and non-natives alike, and operates these services outside of the major northern urban centres. However, the territorial governments then "charge-back" for services provided to Indians and Inuit, and DIAND provides special funding transfers to cover these costs.

There are also shortcomings in the respective mandates of HWC and DIAND and how these impinge in their areas of joint responsibility. The two primary areas of concern are:

1. Indian self-government. The approaches of the two departments are sufficiently different in the concept of devolution of powers and responsibilities that there is a need for a major joint reevaluation of what can and should be accomplished. This will be particularly important as initiatives are developed in terms of block-funding and fiscal transfer.

2. Elimination of the root causes of poor physical and mental health problems in reserve communities. While HWC treats the symptoms, the basic causes of poor health conditions rest in areas of housing, economic development, employment opportunities, sanitation, and potable water, all of which lie within the mandate of DIAND.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

1. Reduction of the cost of non-insured health services, primarily through the insistence upon the administration of a needs-test type of procedure, or other forms of deterrents to abuse.

2. Review of the system for provision of payment for health care services in Yukon and the Northwest Territories.

3. Closing of Indian hospital facilities which duplicate those being provided by provinces or municipalities.

4. Elimination of health consultation funding to Indian and Inuit associations.

5. Seeking agreement with provinces for:

   - operation of extended health care programs/facilities on reserves; and

   - recognition of para-professional training and service delivery.

6. Seeking agreement with the Canadian Medical Association for the recognition of the need and use of midwives in the North and other isolated areas.

7. Closer integration of the policy development and delivery processes of Indian and Northern Health Services through closer coordination with those of DIAND in order to provide coordinated services to Indians and Inuit.

INDIAN AND NORTHERN HEALTH SERVICES (HWC 20)

OBJECTIVES

To provide health services to eligible Indians and Inuit, and to residents of Yukon and the Northwest Territories, and to ensure that their access to health care is comparable to what is available to other Canadians.

AUTHORITY

Appropriation Act; Department - National Health and Welfare.

INTRODUCTION

There is no specific federal legislation requiring the provision of health care services to Indians and Inuit. It has been provided traditionally on the basis of custom and federal policy.

However, there were references to the provision of a "medicine chest" in Treaty 6, which the Indians subsequently tested in court. As a result, the federal government is obliged to provide free medical services and drugs, but not bound to provide health insurance or hospitalization. Although the Alberta Cabinet (May 4, 1971) exempted Alberta Indians from payment of health care premiums, the federal government has not adopted a clear policy on this issue.

Indian health services were provided by the Department of Indian Affairs until 1945, when the responsibility was transferred to Health and Welfare Canada. Those services consisted of medical care to Indians on reserves, to Indians in special hospitals located both on and off reserve and to native people in the territories.

In April 1954, a single agency (Northern Health Services) was created to serve the medical needs of all northern residents. Since that time, the Government of the Northwest Territories has taken over the administration of hospitals at Yellowknife, Hay River and Fort Smith (1976) and there has been ongoing discussion, without conclusions being reached, on future relationships.

In 1981, a proposal to transfer responsibility for health care services to Indian communities was approved by Cabinet on a two-year experimental basis (since renewed for an additional year). Thirty-three communities are now involved in this Community-Based Health Demonstration Program. In addition, Medical Services Branch (MSB) has developed a Professional Health Career Development Program through which native people can enter health sciences professions and learn to administer community health programs.

A joint proposal by HWC and DIAND for tackling the problems of chemical abuse and dependency was approved by Cabinet, leading to the establishment of the National Native Alcohol and Drug Abuse Program (NNADAP).

A major conference on Indian health was held in Hamilton in early 1984, which generated a considerable number of recommendations. However, these have not been endorsed by the Assembly of First Nations (AFN) and no action is contemplated on them at the present time.

ASSESSMENT

In 1982, Indian and Northern Health Services standards were first developed and introduced as a means of measuring the extent to which health needs were being met. Information collected to date indicates that the average level of service being provided is below these standards.

There are ongoing needs to be met in the provision of both treatment and preventative programs in the areas of communicable disease control, school and pre-school health, maternal and child health, mental health, nutritional health and care for the aged, the chronically ill and the handicapped.

In general, the level of health of the native population of Canada continues to be below that of other Canadians.

DESCRIPTION

Under the major heading of Indian and Northern Health Services, a number of specific services are provided. These are listed as planning elements and are described as follows:

1. Community Health Services includes the Community Health Representatives (CHR) program, Communicable Disease Control, Demonstration Projects, Health Education, Mental Health, Nutrition, Nursing and Referral Services and the provision of medical advice and assistance.

2. National Native Alcohol and Drug Abuse Program (NNADAP) includes the provision of preventative services, and those offering training, treatment and research in these problems.

3. Dental Services includes both preventative services and treatment.

4. Environmental Health and Surveillance includes analytic services, public health engineering services, regulatory, liaison inspection and other types of medical surveillance services.

5. Hospital Services includes support for the full operation of the eight hospitals run by MSB.

6. Capital Construction includes building renovations or additions to hospitals, health centres, nursing stations, etc., both on reserve and in approved non-reserve locations.

Although these services will be reviewed collectively, program reports will be prepared separately on:

1. Non-insured Health Benefits, of which Dental Services are a component.

2. Community Health Representatives (CHR) Program, which is an important sub-element of Community Health Services.

3. National Native Alcohol and Drug Abuse Program (NNADAP).

This approach was favoured as these three program elements are of special importance and magnitude within Indian and Northern Health Services.

EXPENDITURES ($ Million)

	83/84	**84/85**	**85/86**
Community Health Services	74,013	91,475	101,039
NNADAP	25,459	36,744	47,166
Dental Services	25,150	28,171	37,718
Environmental Health and Surveillance	3,390	4,008	4,214
Hospital Services	39,331	34,017	36,772
Non-insured Services (less Dental)	75,310	87,500	97,184
O&M/ Contribution Totals	242,653	281,915	324,093
Capital Construction (proposed)			
Departmental facilities	23,975	29,327	27,586
Non-Departmental facilities	6,772	9,539	7,074
TOTALS	30,747	38,866	34,660
PYs	2,512	2,527	2,590

OUTPUTS

Full medical services to Indians are provided, although these vary from province to province according to the medical care standards approved under the respective provincial legislative provisions. These services are also provided to all residents of the territories.

1. Special training programs to provide native para-professional health workers not normally recognized by provinces (e.g. dental therapists, Community Health Representatives) and to encourage native involvement in professional health careers.

2. Special advantageous rates for the purchase of drugs, frames and lenses, etc., required by Indians and northerners.

3. Special programs in the area of alcohol and drug abuse treatment and rehabilitation.

4. Provision of medical facilities -- nursing stations, health centres, hospitals -- on reserves and in northern communities. In some cases, these facilities were also located in communities adjacent to reserves (e.g. Cardston, Alberta). In addition, accommodation for nursing and medical staff has been provided.

5. Generation of revenue which is returned to the Consolidated Revenue Fund (CRF) as a result of charge-backs for services rendered to northern users, etc.

CONSIDERATIONS

Attempts to utilize more para-professionals in the delivery of health services to Indians and northerners by MSB are thwarted by:

- reluctance on the part of provinces to recognize some of the activities proposed as being appropriate para-professional areas (e.g. dental therapists); and

- resistance from the medical profession (e.g. to the use of midwives).

Although some progress has been made, much more could be accomplished, both in providing services in remote rural and isolated northern communities and in effecting considerable economies in service delivery.

MSB has also undertaken initiatives in the general area of training native people to enter into and advance within professional health careers. There is $7.8 million approved for a three-year program in this area. However, there appears to be some jurisdictional difficulties in the advancing of this initiative since the required training must be purchased from provincial universities, colleges and medical teaching institutions, and this cuts across the mandates of DIAND (post-secondary education) and, in certain areas, CEIC.

Although the introduction of the Community-Based Health Demonstration Program was supposed to increase Indian participation in the local control of health service delivery, the opposite effect seems to have been achieved. Where communities have become involved, it has only been at the assessment of need and planning levels.

The previous system of transfer agreements, whereby staff and facility transfers were effected and more general local management resulted (e.g. the Battlefords, Saskatchewan; the Nass Valley, British Columbia; Six Nations, Ontario; Kanawake, Quebec), has been discontinued for the time being, resulting in effectively less opportunities for Indian control.

In this context, it is significant that under the legislation introduced by the previous government (Bill C-52), the power to pass limited laws governing "public health, hygiene and safety" was considered to be only an additional, not a primary, aspect of Indian government.

The provision of health services in the territories is a confusing situation. MSB obtains funding to provide these services to Indians, Inuit, Metis and non-natives alike. But the Northern Program of DIAND provides funding transfers to the territories to "offset the provision of hospital and medical care to Indians and Inuit" (see separate program report), while MSB both provides and operates various nursing stations, health centres, etc. across the North and provides capital funding to territorially-operated hospitals.

There is a situation in which there is much overlapping of authority and funding. The extent of the potential for, if not the actual practice of, double-funding is seemingly immense.

Over the years, the provision of special hospital facilities for Indians and Inuit was seen as a necessary and desirable development, especially by the provinces (e.g. the Camsell Hospital, Edmonton, provided treatment primarily for Indians and Inuit suffering from tuberculosis). Some of these facilities, including Camsell itself, have been turned over to provinces and are now operated, in general, as regular hospitals. Some, however, still operate on an "Indians only" basis and clearly, as at Cardston (Alberta) and Sioux Lookout (Ontario), duplicate the services offered by other hospitals at the same location.

The area of non-insured health benefits is one of major concern. The costs for these have escalated from $36 million in 1979/80 to more than a projected $130 million in 1985/86. Covered in these costs are:

- transportation of patients;
- drugs;
- glasses and orthopaedic appliances;
- dental services; and
- health and hospital care premiums and related charges.

Three elements presently compound the payment of these virtually uncontrolled non-insured benefits. Firstly, the approved benefit items vary from province to province. Secondly, transportation costs are abnormally high, bearing in mind that few facilities are available on reserve and any need for these services involves considerable transportation (e.g. ambulance, taxi, etc.) costs. Thirdly, these benefits are paid without reference to prior establishment of ability to pay; in effect, no needs tests are required or applied.

There is also the question of what will happen in the future as the result of the anticipated passage of Bill C-31, which will reinstate thousands of Indians and their children who lost status as a result of marriage or other aspects of enfranchisement.

At the moment, approximately 30 per cent (100,000) of the registered Indian population live off reserve. This number will likely increase dramatically -- so will the federal government's responsibility to provide non-insured health benefits.

Extended Health Care on reserves is also a matter of concern. The responsibility for providing this is shared, in certain areas (see Adult Care, INAC 43), between MSB and DIAND. However, provinces refuse to have anything to do with those elements of these services (nursing homes, etc.) on reserves for which they have legislative authority and receive EPF funding, but over which they feel they have no effective control.

The NNADAP program is one under which the federal government provides funding to combat drug and alcohol abuse among Metis and non-status Indians as well as among Indians and Inuit. Although there is some resentment among Indians that other native groups are involved, the major concern is that there is a clear overlap with provincial responsibility in the area of program and legislative responsibility for Metis and non-status Indians.

The effectiveness of the entire Indian and Inuit health care system is related as much to the environmental conditions in which Indians and Inuit live as to the treatment and facilities provided. Too often, the need for care is engendered by problems associated with overcrowded living conditions leading to contagion and/or infection, generally poor nutrition associated with chronic unemployment, injuries associated with family and community violence, and the re-emergence of the same medical problems after effective treatment, when the patient returns to the conditions which led to the need for care in the first place.

No matter how much is spent on treatment, the major thrust of expenditure is needed not just in the preventative health care area but in major environmental initiatives to eradicate as many as possible of the root causes of poor mental and physical health in reserve communities.

ALTERNATIVE

A rigorous review of the provision of non-insured health benefits should be undertaken with the view to:

- establish "needs-test" types of procedures to ensure adequate discretionary control over these services;
- limit spending for off-reserve Indians; and
- determine a firm federal government policy on what benefits will be covered.

This is an area of heavy expenditures which appears to be largely uncontrolled. While acknowledging that many of the expenses being funded are necessary health requirements, nevertheless there are no practical means being employed to determine and require the concept of "user-pay".

Although many Indians receive social assistance and would appear to be largely exempt from such a requirement, not all Indians receive such assistance. However, abuse of such services occurs when, for whatever reason, there is no obligation on the part of the recipient to limit demand upon the service. For this reason, the following alternatives should be seriously considered:

- a basic minimum charge for all services;

- a sliding scale of charges for all services, ranging from a token payment by welfare recipients to full cost for those who can clearly afford to pay; and
- limits on the number of times that services can be accessed (e.g. one set of eye glasses per year, with replacement for loss or breakage to be the recipient's responsibility).

In the development of controls on non-insured benefits, the question of their applicability to Indians across the country should be considered. While care should be taken to ensure that there is some sense of equity, the extension to all Indians of whatever specific obligations might accrue to one particular treaty group should be studiously avoided. This is especially true in the matter of payment of health insurance premiums, etc., since these were deemed not to be a federal government obligation under the "medicine chest" decision.

Two other major factors should be taken into account. The more active development of Indian local control over the administration of such expenditures is likely, based upon past experience in other areas, to lead to more stringent application of developed service standards. Secondly, as suggested in the later proposals about the use of medical para-professionals, the more that health care can be delivered within the community, the more it will be possible to reduce the huge expenditures on transportation and associated costs (e.g. expectant Indian and Inuit mothers are flown "down south" and boarded away from home for at least four weeks prior to the anticipated delivery date).

In this context, the study team recommends to the Task Force that the government consider:

- a pilot study be carried out in one or more remote communities to assess the actual cost effectiveness which might be achieved by the extension of "on-site" as opposed to "fly-out" care; and, allied with this,
- a study of the effectiveness which might be achieved by adaptation of both the Australian "radio/flying doctor" program and the Alaskan "Radio Relay Diagnosis" Public Health Service experience to the Canadian situation.

Another method of reducing transportation costs would be to encourage some large reserves to establish an effective ambulance service, or to encourage band members to do so. In this way, transportation costs associated with either the use of taxis or the hiring of off-reserve ambulance services could be either reduced or turned back into further reserve-based enterprises.

Since there is likely to be resistance from Indian associations to any attempt to reduce expenditures on non-insured benefits, the study team suggests that any revised program of benefits be issued as Indian and Inuit Non-Insured Health Service Regulations, pursuant to section 73(1)(g) of the Indian Act, thus ensuring both public discussion of the proposals and Governor-in-Council authorization for their application and administration. In order to allay Indian fears of these being "to the end of time" regulations, they should be authorized for a five-year-only period.

An immediate review should be undertaken into the federal funding of medical services in the territories. This would seem to be an area where overlapping responsibilities between governments (federal, territorial, and municipal) and departments (HWC and DIAND) has created the real potential, if not the actual practice, of double-funding. This concern applies in the areas of both provision of services and funding of capital facilities.

Immediate consideration should be given to the closing of at least two Indian hospitals. The hospitals at Cardston, Alberta and Sioux Lookout, Ontario, appear to be clear examples of the federal government maintaining expensive facilities in centres where perfectly adequate alternative facilities are also operated by the province/municipality. Similar situations may exist in other locations, but a more thorough review would be needed to ascertain this.

It should be noted in this case, as in the case of other proposed major revisions (e.g. non-insured health benefits, post-secondary education), that vigorous opposition can be expected from Indian communities and political organizations on the basis that these are "treaty rights". However, these have not been established as such. To the contrary, some court judgments and some common practices indicate they are not.

Immediate consideration should be given to the elimination of the annual funding provided by HWC to Indian and Inuit associations for consultation purposes; $1,027 million is provided in the HWC budget for such consultation.

Given the amounts of funding which are already provided to Indian bands, tribal councils, provincial and territorial organizations and Inuit associations, via both the Department of Secretary of State and DIAND, it would appear that this expenditure is another instance of overlap in this area. If such consultation is necessary, it should be capable of being provided from those other funds.

Agreement should be sought with provinces on the matter of the operation of extended health care facilities on reserves. Funding is provided to provinces for such care under the EPF fiscal transfer arrangements. The reluctance of provinces to be involved in this aspect of the health care service stems from their concern over the actual control and supervision of both the facilities (nursing and senior citizens' homes, etc.) and the services provided on reserves.

This is another instance where lack of agreement on basic jurisdictional issues leads to a situation in which the federal government pays for services to Indians when it has already provided those same funds to provincial governments under the EPF program.

Such federal/provincial working agreements should contain provisions for local Indian authorities to act, as they already are in some cases, as the supplier of the services needed.

Agreement should be sought with provinces on the recognition of HWC training programs for and employment of certain para-professionals. The program being carried out by HWC, in the area of Community Health Representatives (CHRs) and dental therapists, seems to be effective both in providing services to Indian communities where professional attention is not always available when required, and in reducing the overall cost of provision of service. However, lacking that essential provincial/territorial recognition, it means that these are largely "dead-end" careers; the expertise and experience learned is only a serviceable commodity within the Indian community. It has no aspect of transferability. Given that it has been stated that it is the federal government's policy to provide Indian people with skills and aptitudes which they can use either in the Indian community or in the broader Canadian context, this initiative, worthy as it is in producing immediate results, falls short of achieving that policy objective.

Recognition for the use of midwives, particularly in northern and isolated communities, should be sought from the Canadian Medical Association (CMA). In many other parts of the world, particularly in Europe and Great Britain, midwifery is a noble, ancient, and recognized profession (over 90 per cent of births in the Netherlands occur in the home). The insistence that all births be accomplished within a hospital facility attended by a licensed doctor is a recent, largely North American, phenomenon. As a result, the cost of laying-in and delivery of most Indian and Inuit babies has escalated immensely over recent years, especially when the cost of transportation, usually over long distances and, in most northern cases, by air, is included.

The cost and the trauma of institutionalized childbirth would both be significantly reduced if official recognition were given for the legitimate use of midwives in Indian and northern communities.

To fulfill immediate needs, nurses with midwife training and experience could be recruited in Europe (as they have been in the past); in the longer-term, this would open up another avenue of employment for and involvement of native women in health service careers.

Serious consideration should be given to the closer integration of Indian and Northern Health Services with the evolving federal process of supplying services to Indians and Inuit through forms of self-government. This implies much greater coordination of efforts between the two departments, given that, sooner or later, the existing DIAND organization will need to be reconstituted (and, in the process, could be substantially reduced) to meet changing needs and relationships between Indians, Inuit and the federal government. The integration of health services with other service delivery/devolutionary processes would be at least desirable and probably essential.

HWC and DIAND between them will spend almost $2 billion on services to Indians, Inuit, Metis, non-status Indians and northern residents in 1985/86. Some of the services provided by HWC and DIAND already overlap -- adult care, some areas of training, consultation, funding and NNADAP. In one essential area, however, there is a glaring gap in their interaction -- and that is in the area of the development of Indian self-government.

While DIAND has pushed ahead with devolving responsibility for the administration, development and delivery of services to bands and tribal councils, initiatives earlier undertaken by HWC in transferring responsibility for medical services have been effectively terminated by the newer thrust in the Demonstration Project area.

By the integration of these two major elements of services to Indians and Inuit, several objectives could be achieved:

1. One single manifestation of federal government policy on the devolution of Indian government could be obtained, including the questions of block-funding and/or fiscal transfers.

2. The overall relationship with provincial and territorial governments in the areas of EPF fiscal transfers (health, post-secondary education, and social assistance) could be rationalized and the possibility of agreements with provinces in these and related areas could be enhanced.

3. Savings could be achieved by the integration of educational and health services capital requirements on reserves.

4. By rationalizing the organizational and structural requirements associated with the financing and servicing of Indian reserves and Inuit settlements, future administrative overhead costs could be reduced.

CONCLUSIONS

While there are still major concerns about the need to raise the level of native health and health services to more closely approximate those of other Canadians, there have been notable improvements and initiatives in the delivery of medical services to Indians and Inuit over the last several years.

Nevertheless, there appear to be a number of areas in which health service delivery can be improved, not at the expense of reduced health standards of native peoples and communities, but at reduced cost to the federal government.

PREFERRED ALTERNATIVES

Considerable immediate savings in the provision of treatment and preventative health services to Indians and Inuit could be achieved by reviewing the provision of non-insured health care benefits, the funding of medical services in the territories, the closing of certain Indian hospitals, and the elimination of health consultation funding to Indian and Inuit organizations.

Further consideration should be given to reaching agreement with the provinces on the provision of Extended Health Care Services on reserves and the recognition of para-professional training and utilization within native communities. Recognition should also be sought from the CMA for the use of midwives to facilitate childbirth deliveries in northern and isolated communities.

Further consideration should also be given to the integration of the approach taken by Indian and Northern Health Services with the process of devolution of self-government being developed in DIAND, including perhaps elements of other federal departments, for the purposes of comprehensive approaches to the devolution of powers to Indian governments, the provision of related services, and the possible savings on service delivery and administrative and organizational overheads. This does not imply a relocation of the service to DIAND but at minimum, an integration of the policy development processes of senior management, with possibly some delivery processes as well, as part of the move toward Indian self-government.

PROGRAM REPORT

NON-INSURED INDIAN/INUIT HEALTH BENEFITS

PART I (SUMMARY)

OBJECTIVES

To provide non-insured health benefits at no cost, regardless of residence or ability to pay.

EXPECTED RESULTS

Assured access to medical and dental services whenever it is required. Not covered by insured health plans.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☐ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	97.9	114.9	110.0	120.4	121.0
PYs	88	98	98	98	98

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

NON-INSURED INDIAN/INUIT HEALTH BENEFITS

PART II (SUPPORTING DETAIL)

AUTHORITY

Constitution Act, 1867, Section 91(24); Federal Policy, 1979.

MINISTER RESPONSIBLE

Minister of Health and Welfare.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	-	-	-	-	-
Operating Expenses					
- Salaries	2.2	2.5	2.5*	2.5*	2.5
- O&M	95.7	112.4	107.5	117.9	118.5
Capital					
Loans (authorized levels)					
PYs	88	98	98	98	98

* Estimated.

DELIVERY BY

*Native Local Authorities	5 per cent
Department	95 per cent
Provincial Government	
Other	

REMARKS

Prior to 1978, HWC provided these benefits on the basis of need in accordance with Cabinet policy. In an attempt to standardize practices, new guidelines were issued in 1978. These guidelines met stiff Indian opposition. A new Indian health policy was approved in 1979, which established medical and dental judgement as the criteria for health service delivery and also withdrew the guidelines.

The low health status, the high cost of accessing and acquiring health services from remote or rural communities, and the generally low income levels of Indians and Inuit indicate a continuing need for non-insured health services.

The benefits refer to a specific set of health-related goods and services paid for by HWC, including patient and escort transportation, prescribed drugs, dental services, eyeglasses, other prostheses, contract physician services, and, where applicable, the payment of health insurance premiums and user fees.

Medical Services Branch (MSB) expenditures were $31 million in 1977/78, and now are $112 million. Over this period, the department indicates a real increase of 47.4 per cent when population and inflation are discounted. Comparative non-native expenditures (except for medical transportation, primarily) indicate Indian/Inuit expenditures are at par.

Non-insured health benefits are available to off and on reserve Indians without any needs test. Such a policy is inconsistent with CAP legislation which stipulates needs-test requirement for cost-sharing.

Non-insured benefit costs represent about 30 per cent of total HWC costs to Indians and Inuit. Sixteen per cent of program costs are attributable to off-reserve population (30 per cent of total Indian population).

Apparently, no bands are administering these benefits except for providing some medical transportation for patients to health centres. HWC indicates program overhead is about 5 per cent of the expenditures or $4.8 million, which appears to be an acceptable overhead charge.

It is estimated that retaining the current program will necessitate an increase to the base of $20 million, $28 million, $37 million and $46 million over the next four years.

The following options could be considered:

- re-introduce needs testing -- could reduce outlays by $154 million over the next four years;
- terminate off-reserve Indian eligibility -- could eliminate $62.5 million from budget over four years;
- combine a) and b) -- would avoid costs of $216.5 million over four years; and

- limit individual expenditures -- no cost-savings are projected, but the essence of the proposal is to set an upper limit to annual per capita expenditure (the 1982/83 base of $235 is suggested).

PER CAPITA EXPENDITURE CHART
Non-insured Health Benefits

Region	No. of Indian/ Inuit	$ Million	Per Capita $
NWT	15,900 Inuit 8,300	15.5	640.50
YUKON	100 Inuit 3,500	2.0	555.56
B.C.	500 Inuit 59,000	15.6	260.00
ALBERTA	500 Inuit 40,800	15.0	363.20
SASK.	200 Inuit 51,100	15.6	304.10
MANITOBA	100 Inuit 50,000	13.2	263.40
ONTARIO	1,100 Inuit 73,500	15.2	203.75
QUEBEC	5,000 Inuit 33,100	5.6	147.00
ATLANTIC	2,000 Inuit 12,400	3.1	215.28
Sub-Total	25,400 Inuit		
Sub-Total	332,200 Indian		
TOTAL	357,600	100.8	281.88

HWC is opposed to any curtailment of the non-insured health benefit program, based on medical grounds. Federal health officials believe the health status of Indian and Inuit populations warrants this unrestricted access to benefits.

Introduction of an interim Federal/Provincial Indian Health Services and Standards Agreement could help contain public expenditures across the country. Currently, federal Indian health costs can rise dramatically when a province introduces or eliminates a program service to residents. For instance, when B.C. cut their Dental Plan, a 560 per cent increase in dental charges resulted. A pre-arranged set of basic services could be negotiated for five-year periods, based on:

- current and planned Indian and Inuit health care delivery systems and health conditions of provincial or territorial "catchment areas";

- private sector comparisons of non-insured health care expenditures; and

- the fiscal capacity of bands to cost-share these agreements (even if only nominal).

In this way, particular geographic and economic circumstances could be factored into the talks and at least a generally accepted standard for services could be arrived at, even if provinces or territories alter their services.

A diminishing tax credit for persons with net incomes above a certain level could be inserted into the income tax system. Indians or Inuit with high incomes would pay for their non-insured health costs and obtain some credit when their tax return is submitted. Such a system would reduce HWC administrative costs and reduce total expenditures.

An agreement could be secured with the provinces to cover non-insured health costs for off-reserve, socially indigent Indians and Inuit for all services cost-shared. Other Indians and Inuit are already paying (in all likelihood) for these services.

Medical transportation costs total about $30 million per annum. Containing or reducing costs could be achieved by only paying for medical trips beyond a fixed distance from a major centre or when the average costs exceed a prescribed limit. Such a measure would apply to all residents in outlying areas. For individuals without adequate incomes, medical transportation would be provided even for trips within the prescribed radius or under the set costs.

The arguments against service reductions or modifications will range from section 25, Constitution Act, 1982, breaches (treaty and aboriginal rights) to impeding access to health care treatment recommended by physicians and dentists for a generally poor population with intolerably low levels of health. There could also be opposition from provinces to pay for non-insured health benefits without charge-back for off-reserve Indians and Inuit.

The establishment of Indian and Inuit health units in major urban or northern provincial centres with significant Indian and Inuit populations could be financed through contractual agreements with participating bands. These units would be Indian- and Inuit-managed and would operate on a cost-recoverable fee-for-service basis. The necessary doctor, dentist and pharmacy specialists would be arranged by the unit's management. Rate agreements and service standards would be negotiated with the respective bands for prescribed time periods. Market forces would keep the costs down to an acceptable minimum and bands would play a greater role in the health care delivery system. It is also expected that potential abuses would be minimized since these units will be monitored by band officials.

PROGRAM REPORT

COMMUNITY HEALTH REPRESENTATIVES (CHRs)

PART I (SUMMARY)

OBJECTIVES

To increase basic health care, communication between Indian and Inuit communities and health providers, and involvement in the development and delivery of these services.

EXPECTED RESULTS

Local provision of primary health care and public health education to Indians and Inuit.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	12.0	12.5*	12.5*	12.5*	12.5*
PYs	86	86	86	86	86

*Estimated.

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☐	☒	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

COMMUNITY HEALTH REPRESENTATIVES (CHRs)

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Health and Welfare.

EXPENDITURES ($ Million)

	83/84	84/85*	85/86*	86/87*	87/88*
Grants & Contributions	9.3	9.7	9.7	9.7	9.7
Operating Expenses	2.1	2.2	2.2	2.2	2.2
- Salaries	0.6	0.6	0.6	0.6	0.6
- O&M					
Capital					
Loans (authorized levels)					
PYs	86	86	86	86	86

* Financial resources are estimated.

DELIVERY BY

*Native Local Authorities	78 per cent
Department	22 per cent
Provincial Government	
Other	

REMARKS

About 535 CHRs are employed in 600 communities serving 200,000 persons. Since 1962, local individuals have been employed to provide health care and health instruction and establish a rapport between community members and health specialists.

The high level of mortality and morbidity rates of Indian and Inuit compared to non-Indian and non-Inuit are well documented. Incidences attributable to preventable conditions are 1.5-to-4 times higher than the national average. Combined with the Indian/Inuit population density pattern (45 per cent live in remote or rural areas compared to 25 per cent of the Canadian population) and resultant access problems to health centres; there remains a continuing demand for primary health care services to these communities, especially in the absence of any other on-site services.

Community Health Representatives are provided training to undertake primary health care duties and 82 per cent are band employed. Originally, the program was geared to communities with little or no on-site medical treatment or public health services. Funds are provided by contributions to bands.

The current distribution of CHRs favours urban communities, suggesting new resources may not be directed where they are most needed. The distribution is probably due to a greater availability of CHR aspirants and the tendency for urban bands to receive a larger share of discretionary federal services.

Nurses, chiefs, health specialists and federal program managers are very satisfied with CHR services and are convinced the health delivery system to Indian and Inuit communities is being better met with the advice and assistance of CHRs.

The program is consistent with the Primary Health Care policy advocated by the World Health Organization.

Definite criteria for determining the extent of service needs to Indian and Inuit communities and the allocation of resources has not been developed, even though such a requirement has been recommended in a recent program evaluation.

The program covers 76 per cent of the Indian and Inuit communities and 82 per cent of the non-urban population.

Considering the usefulness of the program and added cost of replacing CHR services with professionals (full-time nurses or doctors) or more frequent medical specialist care, no alternative is suggested.

Any program growth or reallocation should be based on a set of needs criteria developed with client representatives. In this way, the current imbalance (disproportionate urban representation -- 25 per cent of communities, but 33 per cent of resources) can be corrected.

PROGRAM REPORT

NATIONAL NATIVE ALCOHOL AND DRUG ABUSE PROGRAM

PART I (SUMMARY)

OBJECTIVES

To support Indians and Inuit communities in establishing and operating programs aimed at arresting and affecting high levels of alcohol, drug and solvent abuse.

EXPECTED RESULTS

The testing and evaluation of a variety of approaches to the problem, leading to ongoing, community-based programs which will identify, treat and rehabilitate alcohol and drug abuses.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☒ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	32.0	46.2	54.3	51.3	41.4
PYs	29	41			

ANALYSIS

	YES	NO	CANNOT . ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☒
Is Need Being Met	☐	☐	☒	☒
Other Results	☐	☐	☒	☐
Alternative Methods of Achieving Results	☒	☐	☐	☒
Substantial Duplication /Overlaps	☒	☐	☐	☒
Administrative/Management Constraints	☒	☐	☐	☒

PROGRAM REPORT

NATIONAL NATIVE ALCOHOL AND DRUG ABUSE PROGRAM

PART II (SUPPORTING DETAIL)

AUTHORITY

Appropriation Act.

MINISTER RESPONSIBLE

Minister of Health and Welfare.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	29.2	36.7	47.2	51.3	41.4
Operating Expenses					
- Salaries					
- O&M					
Capital	6.8	9.5	7.1		
Loans (authorized levels)					
PYs	29	41	86	86	86

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

Although there are alternative methods of countering drug and alcohol abuse problems (direct governmental services, use of established private agencies), the National Native Alcohol and Drug Abuse Program (NNADAP) seems to be best suited because of the direct involvement of the native community and the heavy involvement of culturally-based treatment/rehabilitation processes.

The provision of services through NNADAP overlaps with available existing programs. However, since it is native-based, and incorporates some features which could be considered unique in the Canadian context, it cannot strictly be considered as duplicating other services.

Although it is labelled as an Indian and Inuit program, these two groups are concerned that Metis and non-status members of the Program Advisory Boards exert too much influence on the direction of the program.

Generally, the program seems to be working well, although there are no "success" statistics available. Since the program has a special five-year mandate, it should be allowed to complete its self-specified projects. A rigorous review should be carried out, however, before decisions on renewal are entertained.

CONTRIBUTIONS TO NORTHWEST TERRITORIES/YUKON GOVERNMENTS FOR INDIAN & INUIT HEALTH CARE SERVICES (INAC 231)

OBJECTIVES

To provide financial support, through payments to the territorial governments, for the hospital and medical care of Inuit and status Indians.

INTRODUCTION

Although Health and Welfare Canada (HWC) provides for medical services to all northerners, the Department of Indian Affairs and Northern Development (DIAND), through its Northern Program, also underwrites, on behalf of Indians and Inuit in the Northwest Territories, contributions based on actual use of hospitals and medical services, and in Yukon, the payment of health care premiums for indigent Indians.

These contributions are based on a Cabinet decision that the territorial governments should not have to pay for medical care extended to Indians and Inuit.

ASSESSMENT

Since payments in the Northwest Territories are made on a "charge-back" basis (calculated on actual service usage), and in Yukon on a monthly-billing basis, the need seems to exist, although the ability to assess the extent of the need is lacking.

DESCRIPTION

Native Health Services covers this transfer of funds to the territorial governments for medical and hospital services to Indians and Inuit.

EXPENDITURES ($ Million)

	83/84	84/85	85/86
Contributions	10.2	17.9	17.9

OUTPUTS

Payments to the territorial governments for medical and hospital care to Indians and Inuit.

CONSIDERATIONS

There appears to be a major problem of overlaps in the funding of health services in the territories. HWC's mandate is to provide funding for all health services in the territories for Indians, Inuit, Metis, non-status Indians and non-native northerners. DIAND then reimburses:

- the Government of the Northwest Territories for medical and hospital services provided to Inuit and status Indians; and
- the Government of Yukon for health care premiums paid on behalf of "indigent" Indians.

Also, HWC does some "charge-back" for certain services which it provides, and directly funds medical facilities throughout the North as well as cost-shares some major municipal hospitals, e.g. Yellowknife and Whitehorse.

In addition to the potential, and possibly the actual practice of "double-funding" in this respect, it must be noted that the federal government also provides major fiscal transfers to the territories for the general services and machinery of government. This raises the questions of further overlap and double-funding possibilities.

ALTERNATIVES

An immediate review of the health services funding transfers to the territorial governments on behalf of Indians and Inuit should be undertaken. Since the Medical Services Branch of HWC serves as the Territorial Health Department in Yukon, and provides acute treatment care and preventative health services in the Northwest Territories -- except in Yellowknife, Hay River and Fort Smith -- it seems ambiguous that the Northern Program of DIAND should be paying the territorial governments for services funded and provided for by HWC.

It would appear that substantial savings might be possible in this health-services area.

Over time, the advisability of MSB continuing as the major practitioner in the health-services delivery area in the North, in light of territorial demands for greater autonomy, should also be seriously reconsidered.

CONCLUSIONS

The confusion over the overlapping areas of both funding transfers and responsibility for provision of health services in the territories is in need of an immediate, major review.

CATEGORY REVIEW

INDIAN AND INUIT EDUCATION

PROGRAMS

The provision of educational services to Indians and Inuit in 1983/84 required $478,929,000 and 1,821 person-years and in 1985/86, an estimated $571,882,000 and 1,825 person-years. Three programs provide the following services.

Elementary and Secondary Education -- DIAND provides instructional services to elementary and secondary school-age students (six to 17 years) through the operation of federal schools on reserves, and funding to either provincial schools or band-operated reserve schools. In addition, support is provided in the areas of student transportation, board away from home, guidance and counselling, student allowances to certain age and grade categories of students, and to educational committees or equivalent authorities on reserves (1983/84 - $346 million and 1,588 person-years).

Post-Secondary Education -- DIAND provides support and assistance to Indian and Inuit students to attend community colleges, CEGEP's, universities and other qualified institutions, including some which are Indian-controlled. (1983/84 - $43.1 million and 17 person-years)

Educational Facilities -- DIAND supplies capital monies for the construction and renovation of schools and teacherages on reserves, as well as to assist provincial school boards to provide instructional space for attending Indian students. This activity also funds the operation and maintenance of school facilities including janitors, stationary engineers, etc. (1983/84 - $89.9 million and 116 person-years)

The authority for the provision of elementary and secondary education is found in ss. 114-123 of the Indian Act. Other services are provided under the authority of the Appropriation Act and relevant Treasury Board minutes.

BACKGROUND

Educational services are provided to 77,600 elementary and secondary Indian students residing on reserves or Crown lands.

Of these, 51 per cent receive instruction in provincial schools under 600 joint-tuition and capital agreements. Twenty-eight per cent are educated in 169 federally-operated reserve schools and the remaining 21 per cent go to 191 band-operated schools on reserves.

Of the 579 Indian bands across the country, 475 administer all or part of the education program, including 191 bands who are responsible for the total operation of the program.

There are 360 schools maintained on reserves. In addition, DIAND has entered into 723 capital contribution agreements with provincial and territorial authorities. The cost of this program (September 1949 - March 31, 1983) has been $118.5 million.

School capital requirements are estimated at a minimum of $417.9 million over the next 10 years.

At the post-secondary level, 8,064 students were enrolled (1983/84) in university and/or college programs. This constitutes 12 per cent of the Indian student population (as compared to the national average of 20 per cent), a major advance over the last two decades.

In addition, it is estimated that there are approximately 22,400 status Indian elementary and secondary students living off-reserve and being educated in provincial schools. The federal government does not accept financial responsibility for their education.

Educational costs for Indians and Inuit in Yukon and Northwest Territories are not included in the above totals. They are covered under the general fiscal transfer arrangements between the federal and territorial governments.

OBSERVATIONS

The most significant feature about Indian and Inuit education is the degree to which responsibility for its control has been transferred to the local community over the last 15 years.

During the 50s and 60s, the thrust was on integrating Indian students into provincial systems. At its high point, 60 per cent of Indian students were so enrolled. However, Indian students often viewed themselves as being tolerated rather than accepted, and the need to travel considerable distances or board away from home in order to take advantage of the system led to resistance on the part of both students and parents.

Federal resourcing of Indian education has always been deficient in terms of adequate funding and professional expertise. Although both of these elements have received improved attention over the last 20 years, many of the elements which are integral parts of provincial systems are still lacking. However, major changes have been effected in certain areas of the curriculum (e.g. native languages) which improves the relevance of Indian education.

In spite of the significant increase in Indian students in the provincial system since 1951, the emergence of the Indian-controlled system of education on reserves means that there is no simple answer to the question: should Indian education be turned over to the provinces?

FINDINGS

At the post-secondary level, there is a major question of overlapping responsibility and funding. Provinces receive 50 per cent of their funding for post-secondary education under the provisions of the Established Program Funding Act (EPF), and the base for such funding includes provincial population statistics including all Indians, both on and off reserve. However, for qualified Indian students admitted to regular university or college programs, the students' portion of the fees is paid by DIAND. Any 'special' programs provided to Indian students are expected to be funded by DIAND at 100 per cent of the cost.

The major difference between schools on reserves and those located in rural provincial municipalities is more in the nature of funding than in the relative merits of construction.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

The major new initiatives which could be injected into the present system of Indian and Inuit education focus on:

a. significantly reducing delivery of services by DIAND, including those affecting the operation of schools on reserves, the closing of student residences, and the reduction of certain types of guidance and counselling services;

b. introducing new modes of instructional delivery, using two-way satellite and micro-wave transmission technologies;

c. eliminating areas of 'double-funding' accredited under EPF in post-secondary education;

d. expanding the role of provincial Indian-controlled post-secondary institutions. This would require establishment of a legislative authority to continue these activities on a permanent basis;

e. reviewing federal policy on methods of financing school capital construction and insurance protection for buildings; and

f. using Community Learning Centres and mobile laboratories to improve the delivery of educational services to more distant communities.

INDIAN AND INUIT ELEMENTARY AND SECONDARY EDUCATION (INAC 315)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality and range of elementary and secondary education that is relevant to the social, economic and cultural needs and conditions of the individuals, bands and communities being served.

INTRODUCTION

Free education is regarded by Indians as a treaty right. However, the provision of educational services is not uniformly addressed in the treaties -- in some, it is not mentioned at all and not all Indians are covered by the treaties.

The provision of educational services to Indians is governed by sections 114 - 123 of the Indian Act and modified by section 4(3). Thus, the legal requirements for provision of such services is restricted to:

a. the operation of schools on reserves, or the offering of instruction by arrangement with other authorities;

b. elementary and secondary education; and

c. status Indian students between the ages of six and 17 whose parents or guardians live on a reserve or Crown lands.

However, existing programs go beyond these parameters and are provided on the basis of the Treasury Board authorities.

The most significant developments over the last decade have been:

a. the assumption, to an increasing degree, of Indian band responsibility for school operations on reserve;

b. the rapid increase in the number of Indian people (administrators, teachers, teacher-aides, curriculum specialists/consultants) employed in the educational system;

c. major changes in curriculum content, particularly the teaching of (and in) native languages, for reserve-based and some provincial schools; and

d. the creation of some provincial school boards to serve the exclusive needs of Indian schools (e.g. Nass Valley School District, B.C. and the Cree School Board, Quebec).

While there has been improvement in the retention rate of Indian children in the elementary/secondary system, Indian parents still have a major concern that the present system is failing the children.

ASSESSMENT

Although the need for elementary/secondary education services continues, it will be governed by the following factors:

a. in spite of the decline in the Indian birthrate, school population figures will not be seriously affected until the 1990s;

b. the 'mix' between services required on and off-reserve, and any migration patterns affected by economic conditions, the growth in Indian self-government, etc.; and

c. legislative changes to remove sexual discrimination against Indian women, and any resultant increase in the 'status' Indian school-age population on reserves.

DESCRIPTION

Education in Provincial Schools -- provided under s. 114(1) of the Indian Act through Master Agreements with provinces (British Columbia, Manitoba, New Brunswick) or agreements with local school boards. Agreements can include special funding for enriched programs (e.g. native language instruction, cultural students, native specialists).

Education Federal School on Reserves -- provided under s. 114(2) of the Indian Act. Covers instructional costs (teachers, school administration, supplies, paraprofessional aides, etc.) but not capital O&M or overall administration.

Education in Band-Operated Schools on Reserves -- provided under Treasury Board Minute No. 725973 (May 9, 1974). Covers same instructional and operating costs as in Federal Schools (see above).

Guidance and Counselling -- provided under s. 115 of the Indian Act. Covers services to students attending provincial, federal and band-operated schools, and includes band-appointed social counsellors.

Student Transportation -- provided under s. 115 of the Indian Act. Covers daily, weekly, seasonal, emergency and extra-curricula transportation. Indian-owned school buses (i.e. individual or band) get contract preference.

Student Financial Assistance -- provided under Treasury Board Minute No. 547716. Covers clothing, equipment and personal allowances to students 14 years and older, in grade 9 and up, who are boarded away from home for educational purposes.

Student Accommodation -- provided under s. 115 of the Indian Act and Treasury Board Minute No. 547716. Covers student residence operations and costs of private board and lodging for educational purposes.

Education Instructional Support -- provided under Treasury Board Minute No. 725973. Covers funding for the operation of Indian school boards, committees, etc.

RESOURCES ($ Million)

	Fiscal year 1983/84		
	Actual costs	**No. of students**	**Av. student costs**
Provincial schools	1,588		
600 agreements; 28 per cent administered by Bands tuition Agreements	157.7	39,466 (51%) of total	$3,995
Federal schools 169 schools on salaries/O&M	57.9	21,893 (28%) of total	$2,643
Band-operated schools 191 schools on reserves Contribution Agreements	48.0	16,715 (21%) of total	
Guidance and counselling Salaries/O&M Contributions (5,267,000) Total	10.9	--	--
Transportation Contracts/ Contributions	26.0	49,415	--
Financial assistance O&M contributions	17.1	15,714	$1,089

($ Million)	Fiscal year 1983/84		
	Actual costs	**# of students**	**Av. student costs**
Student accommodation			
a. residences/ group homes	13.1	2,154	$6,060
b. private boarding homes	8.9	2,869	$3,096
Band educational support			
Contribution Agreements	2.1	--	--
TOTAL	346.0		

Note: These totals exclude all capital expenditures and, in the case of federal schools, all overall administrative expenditures.

OUTPUTS

From 1971 to 1981, on-reserve schools offering high school grades rose from zero to 80, and the number of students in those grades rose to 1,500. Overall, the number of Indian high school students rose from 9,614 (13.4 per cent of the Indian school population) to 14,070 (19.2 per cent).

Over 32,000 Indian children are receiving instruction in or about the native languages in federal, band-operated and provincial schools.

Over 30 per cent of administrators and teachers in federal schools are of Indian ancestry. Indian educators are similarly employed in band-operated schools and, to a lesser extent, in provincial schools.

Nevertheless, based upon 1981 Census information, 27.3 per cent of status Indians had less than a grade 8 education (compared with 11.6 percent of the Canadian population), while only 27.7 per cent had a secondary school education or better (compared to 55.9 per cent for all Canadians). Thus, they were twice as likely to have less than a grade 8 education, and only half as likely to have graduated from secondary school.

CONSIDERATIONS

Fifty-one per cent of Indian students are educated in provincial schools, yet the federal government has no control over the education provided (no right of inspection, evaluation, etc.). Similarly, except as individuals, the Indian community has only strictly limited inputs into the provincial school systems.

Although provincial systems would appear to have a better potential for providing quality education, the results from Indian participation in provincial schools have not reached expectations.

On the other hand, results from the federal reserve school system have been similarly disappointing, largely because it has never been resourced as a fully-professional educational system.

The emerging band-operated system has the potential for overcoming these past deficiencies, but it also suffers from a limited perception and resourcing as a full, professional system.

Initiatives in the development of Indian-specific curriculum content have, nevertheless, largely originated with the federal and band-operated system. Specific factors inhibiting significant Indian student progress, however, remain only vaguely identified and there are no major plans to remedy the situation.

The significance of the educational 'raison d'être' of an Indian-operated school system is often blurred by the political considerations of: a. the development of Indian self-government, b. education as a source of immediate employment opportunity on the reserve, and c. the use of the school system to 'negotiate' other economic advantages for the community.

There are some system overlaps in situations where, in spite of the presence of a federal or band-operated school on the reserve, individual parents still insist on sending children to provincial schools.

Thirteen residential schools continue to operate on reserves, primarily in Saskatchewan. Although these operations provide employment opportunities for Indians, their value to the overall necessities of the educational program is highly debatable.

ALTERNATIVES

1. Elimination of federally-operated schools on reserves.

   Since there will be an ongoing need for public education for Indian children, the establishment of a 'two-track' instead of the present 'three-track' system will bring a greater sense of order to the provision of educational services. Although this may not result in any immediate direct savings (except in the actual number of Public Service person-years), it should enable the Band-operated system to do two things:

   - develop a proper range of educational services and support systems for reserve-based schools; and
   - establish more direct contact, to the point of possible types of amalgamation, with provincial school systems. Where individual reserves feel unable to accept full responsibility, Indian regional school authorities could be established.

   The alternative of an immediate complete transfer of educational responsibility to the provinces should not be considered at this point. Although elementary/secondary education is a provincial responsibility under s. 92 of the Constitution Act, 1867, the following factors interfere with such an immediate transfer:

   - there would be an immediate negative reaction from the Indian community;
   - the system of band-controlled education is only in its early stages, but indications are that it may prove to be more successful than previous Indian education initiatives;
   - as described above, such an amalgamation/integration will likely be achieved in any case, but through cooperation between Indian and provincial authorities in an atmosphere in which the advantages of such amalgamation are worked out at the local level; and
   - there would be an immediate substantial increase in costs without any guarantee of improved services or success rates.

2. Discontinue the operation of the residential schools which remain open on reserves.

   The value which is provided to the educational system by the operation of these establishments is questionable. Although these do provide employment for Indians on these reserves on which they are located, the outlay necessary to maintain them is not cost-effective.

3. Change the instructional delivery mode in isolated communities to take advantage of remote technologies.

   Since it is not feasible to provide full, traditional educational services to isolated northern communities, equivalent upgraded services could be provided by use of two-way satellite and/or microwave communications to link such students with master teachers at learning centres. On-site facilities and supervision could be geared to reinforce such instruction rather than attempt, usually unsuccessfully, to duplicate it.

4. Provide specialized mobile classrooms to road-accessible communities to supplement basic facilities.

   This option is elaborated under the Education Capital Program assessment.

5. Emphasize the concept of Community Learning Centres on reserves to promote greater use of school facilities.

   With greater local development of the educational system, the fuller use of school facilities for adult-education activities, recreational, cultural and social usages, together with modifications in the school year to reflect, where necessary, either wilderness or seasonal learning skills, and/or summer recreational or vocational training usage, would make for a greater economic use of expensive facilities. (See Educational Capital paper.)

CONCLUSIONS

Elementary/secondary education is both a statutory obligation and an ongoing need. What is required is a greater rationalization of the systems which are providing it, in order to ensure that:

a. the quality of educational services is sufficient for Indian children to 'succeed' at rates comparable to the general population;
b. transition between different educational systems can be effected without loss of credit or confidence;
c. better use is made of both on-reserve education facilities and developments in alternative teaching technologies; and
d. success rates for Indian students can be measured in terms of both economic and cultural viability.

Immediate consideration should be given to the elimination of federally-operated schools on reserves. Where individual bands are not ready to accept this responsibility, regional Indian authorities should be encouraged to operate these schools or arrange for their operation by provincial authorities.

Immediate consideration should also be given to changing the instructional mode in remote and isolated Indian communities.

Further consideration should be given to the development of a system of mobile classrooms and Community Learning Centres to better provide for the educational needs of distant Indian communities.

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - PROVINCIAL SCHOOLS

PART I (SUMMARY)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality range of elementary/secondary education that is relevant to the social, economic, and cultural needs and conditions of the individuals, bands, and communities being served.

EXPECTED RESULTS

Indians within the federal, provincial and Band-operated school jurisdictions will participate in and achieve a desired level of education in accordance with approved government policy.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT

☒ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM

($ Million)	**83/84**	**84/85**	**85/86**	**86/87**	**87/88**
$	158.1	163.0	165.2	166.4	167.7
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☒	☐	☒
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☒	☐	☐	☒

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - PROVINCIAL SCHOOLS

PART II (Supporting Detail)

AUTHORITY

Indian Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	156.9	161.7	163.8	165.0	166.4
Operating Expenses					
- salaries					
- O&M	1.3	1.3	1.3	1.3	1.3
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	100 per cent
Other	

REMARKS

Success rates of Indian students are generally below Canadian norms, although overall achievement has risen significantly in last 15 years.

No federal government or Indian community control over provincial systems once Indian children are admitted.

Little opportunity for Indian parent representation on provincial school boards.

Greater direct Indian/provincial/local school board interface is necessary if there is to be a more effective, long-term integration of efforts between Indian communities and provincial systems leading to expected success rates.

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - FEDERAL SCHOOLS

PART I (SUMMARY)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality range of elementary/secondary education that is relevant to the social, economic, and cultural needs and conditions of the individuals, bands, and communities being served.

EXPECTED RESULTS

Indians within the federal, provincial and Band-operated school jurisdictions will participate in and achieve a desired level of education in accordance with approved government policy.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☒ INUIT
	☒ METIS/NON-STATUS	☒ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	54.9	61.3	60.9	52.0	48.9
PYs	1,287	1,274	1,267	1,017	1,017

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☐	☒	☐	☒
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☒
Substantial Duplication /Overlaps	☒	☐	☐	☒
Administrative/ Management Constraints	☒	☐	☐	☒

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - FEDERAL SCHOOLS

PART II (Supporting Detail)

AUTHORITY

Indian Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	10.3	13.2	13.0	12.7	10.6
Operating Expenses					
- salaries	31.2	41.1	41.0	32.5	32.5
- O&M	5.5	7.0	6.9	6.7	5.8
Capital					
Loans (authorized levels)					
PYs	1,287	1,274	1,267	1,017	1,017

DELIVERY BY

Native Local Authorities	21.8 per cent
Department	78.5 per cent
Provincial Government	100 per cent
Other	

REMARKS

Success rates of Indian students generally below Canadian norms, although overall achievement has risen significantly in last 15 years.

In spite of the fact that DIAND operates schools on reserves, it does not have the professional 'back-up' resource/services (curriculum development specialist, language/classroom consultants, etc.) that are part of most educational systems.

Many of the schools formerly operated by DIAND have been transferred to Indian control, in line with the federal government policy decision of February, 1973. DIAND now operates only 169 of 360 schools on reserves.

With the growing emergence of Indian control, and its success record so far, it would appear that the continued operation of federal schools on reserves will lead only to increasing overlaps in the delivery of educational services. Although some reduction in operations is forecast for 1986/87, the objective should be altered to totally eliminate DIAND's educational service delivery within the next three years. Although the costs of Indian as opposed to federal operation is almost identical, there would be a savings achieved by no longer having no administer the pay and benefits of the present public service teaching work force.

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - BAND-OPERATED SCHOOLS

PART I (SUMMARY)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality range of elementary and secondary education that is relevant to the social, economic, and cultural needs and conditions of the individuals, bands, and communities being served.

EXPECTED RESULTS

Indians within the federal, provincial and band-operated school jurisdictions will participate in and achieve a desired level of education in accordance with approved government policy.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT

☒ METIS/NON-STATUS ☒ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$					
PYs	48.2	58.0	59.2	60.3	73.2

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☒
Substantial Duplication /Overlaps	☒	☐	☐	☒
Administrative/ Management Constraints	☒	☐	☐	☒

PROGRAM REPORT

ELEMENTARY/SECONDARY EDUCATION - BAND-OPERATED SCHOOLS

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	48.2	58.0	59.2	60.3	73.2
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	100 per cent
Department	
Provincial Government	
Other	

REMARKS

Retention and success rates in band-operated schools appear to be better than have been achieved in federally-operated schools on reserves.

The major constraint on their further development appears to be that they consider themselves to be, and are funded as, local schools rather than as an Indian school system.

While DIAND continues to operate schools on reserves, there will be overlaps in the provision of reserve-based education, both in provision of services and in administration of schools.

Although provinces could take over the operation of federal schools on reserve, such a straight transfer would be neither politically nor financially desirable at this time. Band-operated schools systems would be in a better position to negotiate with local provincial school boards if such transfers were desirable in the future.

PROGRAM REPORT

INDIAN AND INUIT ELEMENTARY/SECONDARY EDUCATION - ACCOMMODATION AND FINANCIAL ASSISTANCE (INAC 315/4)

PART I (SUMMARY)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality range of elementary/secondary education that is relevant to the social, economic, and cultural needs and conditions of the individuals, bands, and communities being served.

EXPECTED RESULTS

Providing approved levels of support to eligible Indian and Inuit students to enable them to pursue their educational goals.

NEED

Does the need still exist	☒ YES	☐ NO	
Eligible population	☒ STATUS INDIAN	☒ INUIT	
	☒ METIS/NON-STATUS	☒ OTHERS	
	☒ LIVING ON RESERVE OR CROWN LAND		
	☐ LIVING ELSEWHERE		

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	39.1	40.5	41.2	41.9	42.2
PYs	239	239	239	239	239

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☐	☐	☒	☒
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☒	☐	☐	☒
Substantial Duplication /Overlaps	☒	☐	☐	☐
Administrative/ Management Constraints	☒	☐	☐	☐

PROGRAM REPORT

INDIAN AND INUIT ELEMENTARY/SECONDARY EDUCATION - ACCOMMODATION AND FINANCIAL SUPPORT (INAC 315/4)

PART II (Supporting Detail)

AUTHORITY

Indian Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	31.3	32.0	32.4	32.8	32.9
Operating Expenses					
- salaries	4.8	5.0	5.1	5.3	5.4
- O&M	3.0	3.5	3.7	3.8	3.9
Capital					
Loans (authorized levels)					
PYs	239	239	239	239	239

DELIVERY BY

Native Local Authorities	86 per cent
Department	14 per cent
Provincial Government	
Other	

REMARKS

The continued use of residential schools on reserves does not seem to be necessary to meet the educational needs of Indian students. The cost of maintaining students in such institutions is twice that of providing board and room.

The finding of boarding houses and the placement of students in them is one of the main activities of guidance counsellors. It could be better done by social counsellors, allowing guidance counsellors to then concentrate on their more professional tasks.

PROGRAM REPORT

INDIAN AND INUIT ELEMENTARY/SECONDARY EDUCATION - TRANSPORTATION (INAC 314/5)

PART I (SUMMARY)

OBJECTIVES

To ensure that eligible Indians and Inuit have access to a quality range of elementary/secondary education that is relevant to the social, economic, and cultural needs and conditions of the individuals, bands, and communities being served.

EXPECTED RESULTS

Providing approved services to eligible Indian and Inuit students to enable them to pursue their educational goals.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☒ INUIT
	☒ METIS/NON-STATUS	☒ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	**84/85**	**85/86**	**86/87**	**87/88**
$	28.8	30.7	31.3	31.5	32.1
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

INDIAN AND INUIT ELEMENTARY/SECONDARY EDUCATION - TRANSPORTATION (314/5)

PART II (Supporting Detail)

AUTHORITY

Indian Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions					
Operating Expenses					
- salaries					
- O&M	1.8	1.9	2.0	2.0	2.0
Capital					
Loans (authorized levels)					
PYs	26.0	28.8	29.3	29.5	30.1

DELIVERY BY

Native Local Authorities	93.7 per cent
Department	6.3 per cent
Provincial Government	
Other	

REMARKS

The service being provided seems to meet the expressed needs.

Much of the transportation is being provided by Indian-owned (both individual and band) buses etc., with the service being based on a 10-per-cent contract preference basis.

INDIAN AND INUIT POST-SECONDARY EDUCATION (INAC 314)

OBJECTIVES

To encourage and support the educational and/or career development opportunities of Indians and Inuit through post-secondary education.

INTRODUCTION

The provision of post-secondary educational support for Indians and Inuit by the Department of Indian Affairs and Northern Development (DIAND) is a matter of government policy and not a legislative obligation. Although there were a few notably successful Indian university graduates as far back as the late 1800s, these successes were achieved with determined Indian parental support, often in the face of bureaucratic opposition.

Following World War II, and stimulated in part by the needs of returning veterans, post-secondary education gradually became part of the services funded for the benefit of Indians and Inuit.

Indian and Inuit students attend provincial universities or colleges for both regular and special programs, the latter on a full cost-recovery basis. Major revisions were made in the provision of funding support for Indian students in 1975. In 1976, the Federated Indian College on the campus of the University of Regina, together with the Blue Quills and Old Sun Colleges in Alberta, launched a major Indian initiative to take over responsibility for native post-secondary education.

ASSESSMENT

Apart from the normal desire of both the Indian community and the government to develop the full potential of Indian students, communities need the expertise and leadership which post-secondary education develops.

There will continue to be acute need for the next five-to-10 years, both in specific areas of expertise (business administration, teaching, social services, engineering, resource development, agriculture, forestry and fisheries management, etc.) and to provide community role-models.

DESCRIPTION

University and Professional -- Indians and Inuit accepted by post-secondary institutions receive financial support to cover tuition, books and supplies, transportation and living allowances. Incentive grants ($750 for a masters program, $1,500 for a doctorate) are made to post-graduate students.

Guidance and Counselling -- Services are supplied either by departmental or band-appointed counsellors or by purchase of service from post-secondary institutions.

Post-Secondary Management Support -- Special programs not normally offered by post-secondary institutions may be provided on a 100-per-cent purchase basis.

University and College Entrance Preparation -- A new program designed to aid students (minimum age 20, minimum full grade 11 standing) prepare for university/college entrance; a two-semester program only.

EXPENDITURES ($ Million)

	83/84	**84/85**	**85/86**
Grants and Contributions	36.7	44.2	50.2
Salaries	.5	1.2	.7
O&M	5.8	4.0	8.3
TOTAL	43.0	49.4	59.2
PYs	15	18	17

OUTPUTS

Over the last 10 years, Indian student involvement in post-secondary institutions has risen from 2,500 to 8,062 (1983/84). For 20 years, the participation rate of Indians (18 to 24 age-range) has risen from less than one per cent to 12 per cent; the national average is 20 per cent).

Indian-controlled post-secondary institutions have also entered onto the scene during the last decade. The Saskatchewan Indian Federated College offers a full four-year degree program (220 graduates to summer 1984); Blue Quills (Alberta) has had 69 graduates while another 170 students have moved on to third and fourth-year studies at provincial universities. Old Sun (also in Alberta) has its original 20 students all in the third year of studies at the University of Calgary.

There are 10 other post-school (not post-secondary) Indian-controlled institutions, including the Saskatchewan Indian Community College, which offer business management, vocational and upgrading skills.

Indian university graduates are to be found mainly in the educational and social services areas, but are also appearing in other fields (e.g. 15 Indian graduates in medicine and 20 in law).

Although Indian participation in post-secondary schools is still below the national norm, their successful employment beyond graduation is markedly higher. All 210 graduates from the Federated College are employed (many after selecting between offers) and the overall employment rate is calculated to be better than 90 per cent. Indian students who have had some university or college-level education also have significantly higher successful job placement rates.

CONSIDERATIONS

One major reason for the lower participation rate by Indian students is the continued low rate of successful secondary school completion. Two additional factors compound this problem:

a. lack of appropriate counselling at the grade 7 and 8 level as to the secondary school courses needed to enter certain types of university faculties; and

b. lack of role-models in reserve communities upon which Indian students can base alternative career choices.

There are major problems of funding overlaps in the post-secondary education area. Provinces, based upon their population figures (which include all registered Indians and Inuit), receive monies under Established Programs Funding Act to cover most of their post-secondary operating expenditures. Prior to 1977, they received 50 per cent of these costs. Nowadays, since monies for health, welfare, and post-secondary education are transferred as 'block-funding', without being designated for a particular program, provinces are allocating more federal funds to post-secondary education and fewer of their own.

The recently issued Johnson Report notes that the roughly $4.5 million which provinces receive for post-secondary education now represents 80 per cent of provincial grants to universities and colleges. Five provinces -- Newfoundland, Prince Edward Island, New Brunswick, Manitoba and British Columbia -- in fact receive more federal grants than they transfer to their own institutions. In Ontario, federal grants cover 89 per cent of these costs; in Alberta, 73 per cent; and in Saskatchewan, the figure is 90 per cent.

In spite of this, provinces insist that DIAND accept 100 per cent responsibility for the payment of the post-secondary costs of Indian-Inuit students, including: a. regular tuition fees; b. special tuition and course fees; c. all aspects of student assistance; and d. guidance and counselling services.

Universities have not been encouraged, under provincial resourcing structures, to regard Indians as part of their regular 'constituency'. Thus the tendency has been to regard Indian students as sources of additional revenue both as individuals (e.g. the mature-student programs) and as groups (special work, pre-law, etc.). Although some Indian students have benefitted from these approaches, the cost has been disproportionately high.

In addition to supplying all forms of student assistance for Indian and Inuit students resident on reserves, in settlements or on Crown lands, DIAND has been expected to provide this same assistance to Indians permanently located off-reserves, since provinces have refused to accept this responsibility.

A recent study (PMA Consulting Group, 1984) has predicted that in order to raise Indian student enrolment/success figures in post-secondary education to reflect national averages, a three-fold increase in spending levels over the next 10 years will be required.

ALTERNATIVES

1. Withhold that portion of the EPF which relates to post-secondary education payments based upon the Indian

population in provinces, and use it directly to underwrite Indian post-secondary education.

> It can be demonstrated that, in many cases, the federal government is presently 'double-funding' Indian post-secondary education. Adopting this alternative could correct, in some measure, that situation.
>
> The hazard in this approach is that provinces might then ask that it be applied to health and social services as well. Both the financial and philosophical (i.e. supplying separate services to all Indian people, both on and off reserve) implications of this option should be considered as a special area of funding and program delivery.

2. Renegotiate funding arrangements with provinces which would recognize the fact that they already receive substantial funding on behalf of Indian-Inuit students in this program area.

   > Without reducing native students' access to post-secondary education services, this would eradicate the concept of DIAND being responsible for all Indian and Inuit education costs in addition to what provinces already receive. Additional or special services required or requested by DIAND would still have to be costed separately, but significant reductions should be possible in the overall post-secondary education cost.

3. Consider the consolidation of a provincially accredited system of Indian-controlled post-secondary institutions.

   > The higher incidence of success on the part of these institutions indicates that they seem to be more effectively dealing with this level of native education than traditional universities/colleges. A condition of federal government support, however, should be that private sector funding be sought, as it is by similar non-Indian institutions, to augment public funding. Consideration should also be given to such institutions concentration upon 'outreach' programs and remote technologies (e.g. two-way

satellite/microwave teaching situations), similar to those extensively used by the University of Athabasca, in order to reduce the financial and emotional burden upon post-secondary native students from more distant reserve locations.

4. Replace the present system of student grants with a combination of bursaries, grants and loans.

   The present system, which has become regarded as a 'right', requires little in the way of student accountability. A compendium of former Manpower Training rates and UIC allowances, it provides an enriched scale of payments unrelated to any performance measures.

   It should be replaced by a system of bursaries, grants and loans, based upon provincial funding levels, which takes into account student need, course load, potential for successful course completion, and program duration. It should recognize past student achievement and should consider return of service within an Indian community as an alternative to loan repayment.

   It should be provided on the same basis as secondary school assistance - i.e. based upon residence on reserves or Crown lands.

5. Elimination of the present Guidance and Counselling Program.

   There are no clear indicators of the effectiveness of the present program. Many of the functions carried out by departmental counsellors are administrative in nature, and could be as well-handled by competent clerks. At minimum, a complete program review is required.

CONCLUSIONS

Although there has been considerable growth in participation and success rates in this area, it will continue to require considerable funding increases over the next few years if achievement rates are to resemble national averages.

However, much of the augmented spending over the last decade seems to be producing results, especially in Indian-controlled post-secondary institutions. An immediate review of federal government policy in respect of these institutions is recommended.

PREFERRED ALTERNATIVES

1. Immediate consideration should be given to achieving savings through elimination of double-funding of Indian and Inuit post-secondary education under the EPF program, bearing in mind the precedent to be set for health and social assistance programs for Indians and Inuit.

2. Immediate attention should be given to the overall economies which could be achieved by revision of student assistance rates and the elimination of the present guidance/counselling program.

3. Further consideration should also be given to the effectiveness so far exhibited by the existing provincially-accredited, Indian-controlled post-secondary institutions. The financial base for the present institutions should be recognized, and their potential for further success carefully analysed.

INDIAN AND INUIT EDUCATION CAPITAL FACILITIES (INAC 319)

OBJECTIVES

To provide capital and O&M funds to ensure that education capital facilities are provided for the education of native children and maintained in a manner that is cost-efficient and which maximizes the life of the facility.

DESCRIPTION

The federal government's assumption of responsibility for educational facilities on reserves is fairly recent. Although some treaties refer to the provision of a school and a teacher, others allude only to the provision of a teacher once a school has been established. In some cases, treaty discussions were held and documents signed in existing missionary church schools.

Until post-World War II, there were few day-schools on reserves. Most were residential schools, erected, owned and maintained by religious organizations. The federal government paid grants to the respective denominations for this service, while forfeiting control over the facilities.

This situation changed in the 50s and 60s as adherance to provincial standards became a federal government requirement and the cost to religious organizations of meeting these requirements rose sharply. As a result, DIAND is involved in a major 'catch-up' effort, both to upgrade existing facilities, many of which are educationally sub-standard and constitute health and safety hazards, and to meet the needs of growing school populations.

In addition, DIAND embarked upon a program of negotiating Joint Capital Agreements to provide places for Indian children attending provincial schools off-reserve.

ASSESSMENT

a. Five-year projection (1982/83 to 1986/87)

35 new schools; 8 additions to existing structures;...............	$335,777,160
Joint-school construction (off reserves.....................	$ 28,293,800
TOTAL	$364,070,960

b. **10-year projection (1982/83 to 1991/92)**

45 new schools; 10 additions to existing structures; 2 renovations..	$389,613,000
Joint school construction...........	$ 28,293,800
TOTAL	$417,906,960

These estimates of need are considered to be incomplete because:

a. they were based upon documentation available in regional offices and not upon an actual survey of the need at the community level;
b. there is a serious imbalance between the first five and second five years of the 10-year projection, indicating incomplete knowledge of the long-term requirements; and
c. no joint school construction is projected beyond the first five years.

A new survey of needs is being undertaken by DIAND.

DESCRIPTION

Educational Facilities, Capital relates to the construction costs associated with the school buildings, teacherages and infrastructures (water, sewer and school-site roads, but not reserve bus routes).

Educational Facilities, O&M covers minor repair and maintenance costs, as well as salaries of janitors, stationary engineers, etc.

EXPENDITURES ($ Million)

		83/84	**84/85**	**85/86**
Capital:	Major projects (DPW Managed)	30.3	30.3	58.3
	Contribution Agreements (Provs/Bands)	29.0	44.9	28.8
O&M:	Fed. Schools	10.3	9.1	11.7
	Contribution Agreements (Bands)	16.9	17.7	19.0
	Salaries (Federal Schools)	3.4	3.5	4.8
		89.9	105.6	122.6
PYs		116	116	116

OUTPUTS

School construction projects usually have a five-year lifespan, including the planning, design, approval and building stages. Over the last 10 years, there have been an average of 20 projects per year in one or other of these stages. Average cost per project has been approximately $3 million.

For a decade, new schools, additions and renovations have been built to national construction standards, designed to ensure that on-reserve facilities are brought up to the level of off-reserve provincial facilities.

CONSIDERATIONS

Where spaces have been purchased for on-reserve Indian children in provincial schools, and those children are subsequently taught on the reserve, there is no satisfactory way to recover costs from the provinces in order to accommodate students on the reserve. Thus we have empty 'seats' in provincial schools and insufficient 'seats' on the reserve.

The numbers of students being educated on smaller reserves fail to justify a full range of educational facilities. This leads to resentment from parents and only rudimentary facilities. In addition, the cost of school construction in remote location involves an augmented cost-factor, to cover transportation of materials, northern work-rates, crew maintenance, etc.

As a result, new formulae are being developed to create a better accommodation of student and community needs, in terms of multi-use space.

Large construction projects are managed by the Department of Public Works. Provision can be made for bands to supervise school construction projects, although this usually occurs on small projects. However, the Morley Band will be fully responsible for a new school project which will cost $7 million, of which the department will supply $5 million and the band the rest, for above-standard items.

A number of schools have been built using on-reserve day labour rather than under contract to off-reserve contractors, in order to ensure that any potential economic advantage for Indian communities can be gained.

The major difference between provincial and federal approaches to school construction is in the method of financing. Provincial school construction costs are covered by long-term municipal debentures; the federal government pays its way, both for on-reserve construction and purchase of provincial school places. In addition, provincial schools must be insured. When a reserve school burns, funding priorities are already established and an average wait for replacement of five years ensues. During that period, portable classrooms are the only alternative.

ALTERNATIVES

1. In respect of on-reserve school construction, the federal government should review its capital financing policy, and consider some type of debenture repayment scheme.

   In this fashion, the provision of reserve facilities could be substantially accelerated and the more disturbing discrepancies between on and off-reserve educational facilities could be more quickly eliminated. The provision of fire insurance coverage should also be considered.

2. Consider travelling classroom facilities for road-accessible reserves to supplement basic instructional facilities.

   Specially equipped travelling laboratories and vocational workshops, similar to major exhibition trailers, could be prepared to visit reserves for a two-to-three week stay, to supplement the work of the normal curriculum where it is not possible to build permanent facilities. Specially-trained teachers could travel with the trailers.

3. In remote communities, provide additional capital for recreational and cultural facilities; combine this with the educational capital allocation in order to provide Community Learning Centres.

   Such a combination of allotments would enable a more complete facility to be provided which could serve multi-purpose, multi-age educational requirements for the total reserve population.

4. Negotiate arrangements with provincial and Indian authorities to have schools on reserves operate under provincial auspices.

   As in the case of the Nass Public School District (northern B.C.), this would mean that the Indian community continues to operate the school but does so directly within the provincial framework. Any necessary school (Community Learning Centre) construction could then be covered on the basis of provincial debenture repayments. (See Alternatives, Elementary/Secondary Education report.)

CONCLUSIONS

With the continuing need to provide education on reserves, the provision of schools and teacherages will be ongoing, both in terms of new facilities and in renovating, where appropriate, or adding to existing facilities.

In order to make better use of capital funding, immediate consideration should be given to alternatives for financing school construction, including the use of long-term methods of payment (e.g. debenture issues).

Further direction is needed on alternatives for more remote locations, whereby either schools can be combined with other community construction projects to provide more widely usable facilities, or travelling classrooms could be brought in to supplement permanent basic facilities.

The more direct involvement of provincial authorities in the provision of on-reserve school facilities would be the extention of an existing policy and program alternative.

CATEGORY REVIEW

SOCIAL ASSISTANCE AND WELFARE

PROGRAMS

The provision of social assistance and welfare programs to Indian and Inuit required $278 million in 1983/84 -- an amount forecast to rise to $313 million in 1985/86. These programs, which absorb 123 person-years, are discussed below:

Social Assistance -- provides both basic needs (payments for food, clothing, shelter, household supplies, etc) and special needs (payments to cover burials, household goods lost in fires, etc.) to individuals and heads of families who, through unemployment or unemployability, can demonstrate need. It also provides for delivery of such services, for counselling, and for the special needs of children who need temporary out-of-home placements (1983/84; $219 million and 119 person-years).

Child Welfare Services -- cover the provision of assistance for the placement of children-in-need in foster-home or institutional care, together with maintenance and/or counselling needs, such assistance being increasingly provided through federal/provincial agreements, under which service delivery is carried out by local Indian authorities (1983/84; $40 million).

Adult Care -- covers assistance and services to Indians incapacitated through age or disability, including institutional or in-home care, homemakers services, etc. (1983/84; $7.4 million).

Individual and Family Care -- provides assistance in circumstances of need not covered by legislation or agreements with provinces, and includes counselling, selection of and placement in foster homes of children in need, etc. (1983/84; $7.7 million).

Rehabilitation -- provides assistance to local Indian authorities to either provide or contract out for services relating to the comprehensive rehabilitation of handicapped adult Indians (1983/84; $96,000).

Community Social Services -- provides assistance to Bands in assessing the need for and establishing drop-in centres, day-care centres and homemakers services (1983/84; $3.5 million).

BACKGROUND

Providing assistance to Indians when they were unable to support themselves dates back to the disappearance of the buffalo from the prairies, while the provision of child welfare, particularly in terms of taking Indian children out of parental homes, has its roots in the residential school system. In spite of this, there is no specific legislation which either requires, or establishes regulations, procedures or standards for, the provision of social assistance or welfare to Indians and Inuit by a federal agency.

Although DIAND has long provided these services on the basis of custom and to meet federal policy objectives, in more recent years, it has done so by utilizing both the services and the standards established under provincial legislation. While this is in accordance with the authority granted to provinces, it has led to major dissatisfaction among Indians, who claim that: a. forced relocation of Indian children-in-need with non-native families is a form of "cultural genocide", and b. because of their "91(24)" and treaty relationship with the federal government, they object to provinces attempting to exercise authority over Indian life on reserves.

These criticisms have been responded to over the last few years, with the result that: a. the exercise of such provincial authority on reserves now largely stems from bilateral/trilateral agreements, and b. many of the needed services are provided by approved, local Indian agencies established for these particular purposes.

COMMENTS

There would seem to be a major problem of overlap in the whole administration of the social assistance program. Provincial governments supply programs on a 50/50 cost-shared basis under the Canada Assistance Plan (CAP) but, because of their insistence upon the federal government being responsible for 100 per cent of the cost of programs for Indians on reserves and, in some cases, off-reserves, a substantial degree of "double-funding" results.

Many of the services now being funded by DIAND are being administered by local Indian authorities. While there is a major need to reach a rapproachment with provinces on the overall question of funding, any new or revised agreements entered into should require that Indian authorities which can provide the necessary services should be recognized as the appropriate service agency.

Many Indian Bands have utilized part of their social assistance funds to help create employment on reserves, particularly under Work Opportunities Programs (WOP) or New Employment Expansion and Development (NEED) program. This concept of "Workfare" as opposed to Welfare finds a great deal of favour in Indian communities. Unfortunately, it falls outside the general philosophy and administration of CAP programs, and provinces cannot agree to recognize such initiatives.

FINDINGS

Some overlapping of programs seems to have occurred in recent initiatives taken by DIAND itself. The Children Out of Parental Home (COPH) program seems to be catering to some of the same needs as normal Child Welfare Placement programs. Individual and Family Care Services seems to cover some of the same ground as the basic and/or special needs programs supplied under Social Assistance. Community Social Services and Adult Care seems to overlap in certain regards, and there is a real potential for overlap in the Rehabilitation Program and its counterparts in the National Native Alcohol and Drug Abuse Program (NNADAP).

At the same time, some rationalization is needed between the mandates of DIAND and Health and Welfare Canada (HWC) in the Adult Care area. While DIAND supplies the funding for this activity, HWC supplies most of the actual service.

As in the area of Indian and Inuit Health Care Services, it needs to be recognized that present heavy expenditures on these programs are merely dealing with the symptoms, not the causes of the problems. The questions of chronic unemployment, overcrowded living conditions, family violence, and breakdowns in the basic social fabric of native communities are at the heart of the matter.

PREFERRED ALTERNATIVES

Immediate consideration should be given to the following courses of action:

1. Entering into a series of federal/provincial agreements which would enable programs on reserves to be delivered under the present funding basis of the CAP. These would include the specific areas of:

   - social assistance and payments;
   - adult care for the aged Indians in need; and
   - child welfare.

   In doing so, full recognition should be given to the ability of local Indian authorities to administer and deliver the necessary services.

   A direct consequence of such a series of agreements would be to largely eliminate the need for the social development administrative component of DIAND and reduce the amount of federal funding required.

2. Encouraging the development of Indian children's aid Societies to materially assist in the provision of child welfare services to Indian communities.

3. Encouraging Indian communities to raise their own financing for adult care facilities, and then have them leased back to the senior government responsible for such care.

4. Developing the necessary authorities to allow for the wider development of "Workfare" programs on reserves, as an alternative to welfare payments.

5. Examining closely the following programs in order to reintegrate them with the major existing programs components, and thus avoid potential, if not actual, funding and administrative overlaps:

   - Child Out of Parental Home (COPH);
   - Individual and Family Care;
   - Rehabilitation Services; and
   - Community Social Services.

If these are not considered to be acceptable alternatives, then consideration should be given to establishing a proper federal legislative authority and mandate for these programs and transferring the responsibility for their development, administration and delivery component local Indian authorities.

SOCIAL ASSISTANCE (INAC 36)

OBJECTIVES

To provide eligible Indians and Inuit who are in need with assistance and welfare services in accordance with government standards.

INTRODUCTION

The provision of social assistance to Indians in need is made under the umbrella of the Canada Assistance Plan (CAP) rather than any specific requirements of the Indian Act, but is a modern-day reflection of the historic concept of the provision of "rations" when previous living patterns were disrupted.

Rates of social assistance paid to Indians vary according to the province.

Social assistance provides both direct funding and services (e.g. counselling) to unemployed, on-reserve Indian individuals or heads of families, as determined by a needs test.

Assistance is also provided to Indians living off reserve who have not yet met provincial eligibility requirements, and to some non-Indians living on reserves.

Band managers are allowed to use some social assistance monies to create jobs on band work projects. Bands would make wider use of this provision, but the general CAP regulations do not encourage this.

Provision of social assistance is also made through agreements with municipal, territorial and provincial authorities (e.g. Canada/Ontario Agreement).

ASSESSMENT

The need for social assistance will remain acute as long as the employment crisis on reserves continues.

Case-month units increased nearly 25 per cent between 1981/82 and 1983/84.

	81/82	**82/83**	**83/84**
Employables	230,921	255,277	267,138
Unemployables	204,779	226,378	236,896
TOTAL	435,700	481,655	504,034

Future needs will be dictated by the ability to reduce Indian unemployability levels.

DESCRIPTIONS

Social Assistance: Basic -- provides individuals and families in need with financial assistance to enable them to maintain health, safety, dignity and family unity.

Social Assistance: Special Needs -- provides individuals and families in need with additional but essential financial assistance (e.g. replacement of fire-lost household items, burials, etc.).

To provide salaries and administrative costs of staff, including those employed by band/district Councils, to provide counselling, carry out eligibility testing, review appeals on needs assessment, and administer agreements with municipal, territorial and provincial governments.

RESOURCES ($ Million)

	83/84	**84/85**	**85/86**
Basic needs	195.4	214.7	220.5
Special needs	5.4	7.1	6.8
Service delivery	17.9	16.2	17.4
TOTAL	218.7	238.0	244.7
PYs	199	118	119

OUTPUTS

Provision of financial and service assistance to Indians, and some non-Indians (e.g. abandoned wives/families who lost status through marriage to non-Indians), in need, and who reside on reserves or Crown lands.

Development of Children Out of Parental Home (COPH) program, which provides allowances for maintenance of children by extended family or other community members when natural parents are unable to provide care or support payments. In 1983/84, 1,747 children were provided for, requiring 20,966 of care-month assistance amounting to $3,654,700.

In some communities, employment opportunities have been created by using Social Assistance funding to create jobs under both the Work Opportunities program (WOP) and the New Employment Expansion and Development (NEED) program. In 1983/84, 31,200 person months of employment were created.

Agreements with some non-federal authorities (e.g. Canada/Ontario Welfare Services Agreement) to provide services to Indians, on and off reserve.

CONSIDERATIONS

There is no specific legislative base for the provision of Social Assistance to Indians, either on or off reserve, by DIAND. The present program has evolved from legal interpretations of its mandate and responsibilities over the years.

By the time the Canada Assistance Plan (CAP) was introduced, the provision of welfare on reserves by DIAND was well-established, and the Canada/Ontario Welfare Services Agreement (1965) had been signed. This meant that the provision of assistance to Indians on reserves was considered to be a federal responsibility. As a result, there is considerable overlap of service delivery in this area, as well as certain "double-funding" implications.

Under CAP, the federal government cost-shares with provinces, on a 50/50 basis, the costs of social assistance, child welfare, and certain aspects of adult care. (The remainder of the Adult Care Program, relating to the health care component of such services is provided under the EPF program).

DIAND provides 100 per cent of the costs of these same programs delivered to Indians on reserves and, in certain cases, to Indians off reserve (e.g. during their first 12 months away from the reserve when they are deemed not to be provincial residents). Because there appears to be little likelihood that provinces will regard Indians on reserve as normal provincial residents, the federal government will have to continue picking up the 50 per cent of social assistance not covered under CAP.

Although DIAND uses the CAP as a standard for its program design and delivery, certain services provided by specific provincial governments to non-Indians are not available to Indians on reserves while other DIAND expanded programs or alternatives (e.g. "Workfare") are not authorized by provincial programs. This means that there are considerable funding gaps, even where federal/provincial agreements are in place, since DIAND must still supplement certain parts of the program.

Since certain DIAND regions are not contiguous with provincial boundaries (e.g. the Atlantic Region), the need to provide equitable payments to all Indians in the region has resulted in certain allowances being higher than the applicable provincial rates. This has created friction between the respective authorities.

Where social assistance funds have been used for employment creation, they have still been recorded as being social assistance disbursements. Since such employment creation costs are approximately three times higher than normal social assistance payments, this has tended to distort the reporting of the cost of providing "social assistance" on Indian reserves.

Increasingly, bands have taken over the management of Social Assistance program services on reserves. More than 80 per cent of the program is now band-administered.

ALTERNATIVES

Enter into a series of federal/provincial agreements under which programs for Indians would be provided under established provincial regimes and guidelines. This would take DIAND out of the direct development and delivery of such programs to Indians; local band administrations should continue to provide the actual on-reserve services.

Some special consideration may need to be made for certain allowances (e.g. shelter allowances in remote locations) which are not paid by provinces.

Transfer the cost of "Workfare" expenditures from the Social Assistance program to the appropriate Job Creation program. While this will not result in any expenditure savings, it will avoid continuing distortions in the reporting of what monies are being expended on which programs.

In addition, this would help to eliminate any double-funding or overlapping payments resulting from erroneously applying money from different sources into the same program area for identical purposes.

If social assistance to Indians is to remain a federal Government responsibility, establish a proper legislative mandate and authority for the program, and disallow such social assistance fiscal transfers to the provinces. The present system means that not only is the program inadequately maintained from a professional personnel point of view, but that the areas of double-funding will continue to put unnecessary fiscal burdens on the federal government.

Examine the Children Out of Parental Home (COPH) program to ensure that this is neither supplementing nor being used in place of normal Child Welfare Programs. The increasing use of this program and the level of expenditures involved suggest that this could be an area of potential overlapping funding which should be carefully studied.

Increasing emphasis should be placed upon the "Workfare" program as an alternative to social assistance payments. Band councils have made strong representations that they should be given more latitude and authority to introduce their type of "work for welfare" approaches.

CONCLUSIONS

Since there is no specific legislative mandate for the provision of direct social assistance programs to Indians, there is considerable service delivery duplication since the provinces consider DIAND to be responsible for providing programs to Indians on reserve. Clarification of this situation through new federal-provincial arrangements could eliminate the need for DIAND to maintain parallel administrative structures.

PREFERRED ALTERNATIVES

Immediate considerations should be given to entering into a series of federal/provincial service delivery agreements which would eliminate the need to have DIAND in the administration of the delivery of service.

Immediate consideration should be given to the possible extension of "Workfare" as a means of making a transition between welfare and employment.

Immediate consideration should also be given to eliminating possible funding overlaps between the Child Out of Parental Home (COPH) program and normal Child Welfare Services.

Local band administrations should continue to be involved in providing the actual service required on reserves, both because they have shown a growing capability in this area and because they are best able to determine and respond to local needs.

PROGRAM REPORT

CANADA/ONTARIO WELFARE AGREEMENT (INAC 96)

PART I (SUMMARY)

OBJECTIVES

To provide eligible Indians and Inuit who are in need with assistance and welfare services in accordance with government standards.

EXPECTED RESULTS

Providing eligible Indians and Inuit individuals and families with assistance at authorized rate and conditions and with appropriate income maintenance services relevant to their needs.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☐ INUIT
	☐ METIS/NON-STATUS	☐ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	27.6	32.5	33.0	33.1	33.3
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/ONTARIO WELFARE AGREEMENT (INAC 96)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	27.6	32.5	33.0	33.1	33.3
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	100 per cent
Other	

REMARKS

The agreement is working well, with provincial servics being supplied to Indians living on reserves and some other communities, including social assistance, child welfare, adult care, and the provision of day care, and day care centres.

Although some Indian bands are involved in the delivery of these services, more direct involvement is being sought.

INDIAN AND INUIT CHILD WELFARE SERVICES (INAC 981)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstances in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

Before the demise of church-operated residential schools, many of the children placed in these institutions were there as much for welfare reasons as for those relating to education. This was particularly true in their last years of operation. Similarly, church groups were active during the 50s and 60s in persuading Indian parents to place their children in private, off-reserve homes for similar welfare and educational reasons.

As church influence declined, and education on reserves followed the pattern of daily attendance from the child's normal home, it became apparent that there was a mounting need to provide welfare services. Thus, the provision by DIAND of Indian child welfare is a recent phenomenon, growing out of necessity, but unsupported by federal legislation.

Most recently Indians have vigorously opposed provincial programs for the adoption of children in off-reserve, non-Indian homes. They have successfully argued that the provision of child welfare services, including placement in non-parental homes, can best be carried out by qualified Indian social service agencies.

This has resulted in a growing number of federal/provincial (territorial) bipartite and tripartite agreements, under which the design, delivery and administrative controls of child welfare services have been transferred to Indian agencies.

ASSESSMENT

Given that 70 per cent of departmental expenditures on welfare services are devoted annually to this activity, the growing public focus on child abuse, and the continuing difficulties facing Indian parents in providing safe and economical self-sustaining family environments, the need for such services will continue to increase.

DESCRIPTION

Child Welfare Services -- this single description covers the

- delivery of services on reserves by provincial and/or Indian agencies for the care of abused and neglected Indian children;

- delivery of services to certain off-reserve Indian children who are ineligible for provincial services; and

- provision of institutional care, foster care, placement in individual or group homes, maintenance of individuals, and counselling services.

RESOURCES ($ Million)

	83/84	84/85	85/86
Child welfare services	40.4	45.3	44.6

OUTPUTS

Provision of services to children in need on reserves through agreements with provincial authorities, such services being provided either by non-federal or band/tribal Council social service agencies.

CONSIDERATIONS

Since provinces receive Canada Assistance Plan (CAP) funding to underwrite 50 per cent of the cost of child welfare programs, provincial insistence that DIAND assume 100 per cent funding responsibility for Indian child welfare on reserves is a clear case of fiscal overlap, resulting in substantial "double-funding" by the federal government.

Provincial standards determine which Indian child welfare services are provided. Some provinces have agreed to let services be provided on reserves directly by provincially-authorized agencies, including band or tribal councils (Nova Scotia, New Brunswick, Manitoba, and in the Lesser Slave Lake area, Alberta). Others have not.

Adoption of Indian children into non-Indian families has become very contentious. Indians have labelled this practice as "cultural genocide", particularly where placements have been made with families in the U.S. There has been a growing Indian conviction that placements could be made with suitable Indian families. Although some provincial agencies concede the validity of this point-of-view, many still strongly resist it.

In order to have trained professionals develop and administer these services, the Indian community has been seeking special training programs at the college/university level in this area. While some are being provided, more will be needed.

Unless some of the other serious social and economic problems on reserves begin to be resolved (alcoholism, drug abuse, overcrowded housing, chronic unemployment), a high incidence of child neglect and abuse will continue.

ALTERNATIVES

1. Enter into revised funding agreements with all provinces regarding the delivery of child welfare on reserves: since provinces receive CAP funding for the programs, the insistence that the federal government continue to be responsible for 100 per cent of the costs of Indian child welfare programs on reserves needs to be critically reviewed. At the same time, the provinces which have not yet done so should be encouraged to use responsible band and tribal councils for the development, delivery and administration of on-reserve programs.

2. Develop appropriate federal legislative authority which will lead to Indian-controlled Child Welfare delivery systems: if this approach were adopted, that share of EPF monies which goes to provinces for these purposes

could be withheld and applied directly to this system. Although there would likely be strong provincial resistance to this approach, Indian communities have displayed willingness and some capability to take over these responsibilities.

3. Encourage the development of Indian children's aid societies, and provide them with the authority and funding, outside of government infrastructures, to operate such services: although existing societies are not free from criticism, such an approach would allow for the development of specific expertise and experience in this sector, and could provide sufficient incentive for Indian community groups and individuals to totally apply their energies to the necessary task and undertakings.

4. Keep expenditures on child welfare to a minimum, but apply additional or "freed-up" resources to tackle the source problems of alcohol and drug abuse, overcrowded housing, etc., in order to solve the root-cause of child neglect and abuse: although this is a more draconian approach to the problem, it is nevertheless vital that sufficient attention be given to the root causes. The present system does little to provide a permanent safe, culturally supportive home situation for affected Indian younsters. On the contrary, by removing the children, it removes the incentive for parents to attempt to improve the situation while placing the burden for providing care on someone else's shoulders.

CONCLUSIONS

As long as the root-causes of Indian child neglect and child abuse remain unresolved, the need for providing Indian Child Welfare Services will continue to escalate.

PERFERRED ALTERNATIVE

Immediate consideration should be given to entering into revised arrangements with all provinces regarding the delivery of child welfare programs on reserves, with emphasis being placed upon having the actual service delivery carried out by competent Indian authorities.

PROGRAM REPORT

CANADA/NOVA SCOTIA CHILD WELFARE AGREEMENT (INAC 98)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Providing eligible Indian and Inuit individuals and families with assistance at authorized rate and conditions and with appropriate income maintenance services relevant to their needs.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.8	.9	1.0	1.0	1.0
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/NOVA SCOTIA CHILD WELFARE AGREEMENT, (INAC 98)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	.8	.9	1.0	1.0	1.0
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	100 per cent
Other	

REMARKS

The agreement is working well, but consideration is being given to the creation of a Micmac child and family services agency which, operating under provincial legislation, would permit further training and hiring of Indian social workers.

PROGRAM REPORT

CANADA/MANITOBA INDIAN CHILD WELFARE AGREEMENT (INAC 99)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Ensuring that eligible Indian and Inuit children, families or individuals on reserve receive personal, family or community welfare services relevant to their unique circumstances and in accordance with applicable provincial and territorial legislation.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☐ INUIT
	☐ METIS/NON-STATUS	☐ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	**84/85**	**85/86**	**86/87**	**87/88**
$	3.1	3.2	3.2	3.2	3.2
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/MANITOBA CHILD WELFARE AGREEMENT, (INAC 98)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	**84/85**	**85/86**	**86/87**	**87/88**
Grants & Contributions	3.1	3.2	3.2	3.2	3.2
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	100 per cent
Department	
Provincial Government	
Other	

REMARKS

The agreement is working well, with services being provided by the Dakota/Ojibway Child and Family Services Bureau and other Indian child caring agencies to 25 bands in southern Manitoba.

PROGRAM REPORT

CANADA/NORTHERN MANITOBA INDIAN CHILD WELFARE AGREEMENT (INAC 101)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Ensuring that eligible Indian and Inuit children, families or individuals on reserve receive personal, family or community welfare services relevant to their unique circumstances and in accordance with applicable provincial and territorial legislation.

NEED

Does the need still exist	☒	YES	☐	NO
Eligible population	☒	STATUS INDIAN	☐	INUIT
	☐	METIS/NON-STATUS	☐	OTHERS
	☒	LIVING ON RESERVE OR CROWN LAND		
	☐	LIVING ELSEWHERE		

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	2.7	3.9	4.2	4.2	4.2
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/NORTHERN MANITOBA CHILD WELFARE AGREEMENT, (INAC 98)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	2.7	3.9	4.2	4.2	4.2
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	70 per cent
Department	
Provincial Government	30 per cent
Other	

REMARKS

The agreement is working well, with services being provided by both provincial and Indian Child Caring Agencies to 25 Indian Bands in Northern Manitoba.

PROGRAM REPORT

CANADA/NEW BRUNSWICK INDIAN CHILD WELFARE AGREEMENT (INAC 101)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Ensuring that eligible Indian and Inuit children, families or individuals on reserve receive personal, family or community welfare services relevant to their unique circumstances and in accordance with applicable provincial and territorial legislation.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☐ INUIT
	☐ METIS/NON-STATUS	☐ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.8	1.2	1.3	1.3	1.3
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/NEW BRUNSWICK CHILD WELFARE AGREEMENT, (INAC 98)

PART II (Supporting·Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	.8	1.2	1.3	1.3	1.3
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	
Provincial Government	100 per cent
Other	

REMARKS

The agreement is working well, with four bands already taking advantage of the services provided by Indian child caring agencies, and a further 11 bands having the option to do so.

PROGRAM REPORT

CANADA/ALBERTA LESSER SLAVE LAKE CHILD WELFARE AGREEMENT
(INAC 102)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Ensuring that eligible Indians and Inuit children, families or individuals on reserve receive personal, family and community welfare services relevant to their unique circumstances and in accordance with applicable provincial and territorial legislation.

NEED

Does the need still exist	☒ YES	☐ NO
Eligible population	☒ STATUS INDIAN	☐ INUIT
	☐ METIS/NON-STATUS	☐ OTHERS
	☒ LIVING ON RESERVE OR CROWN LAND	
	☐ LIVING ELSEWHERE	

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.6	.9	1.0	1.0	1.0
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

PROGRAM REPORT

CANADA/ALBERTA LESSER SLAVE LAKE CHILD WELFARE AGREEMENT, (INAC 102)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	.6	.9	1.0	1.0	1.0
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	100 per cent
Department	
Provincial Government	
Other	

REMARKS

The agreement is working well, with services being provided to nine Indian bands by the Lesser Slave Lake Indian Regional Council's Child Welfare Agency.

PROGRAM REPORT

CANADA/YUKON CHILD WELFARE AGREEMENT (INAC 103)

PART I (SUMMARY)

OBJECTIVES

To assist Indian families and children, residing on and off reserves, to have access to statutory child welfare and related family services, comparable to non-Indian families and children in similar circumstance in the province or territory in which they reside, and appropriate to their unique needs and circumstances.

EXPECTED RESULTS

Ensuring that eligible Indians and Inuit children, families or individuals on reserve receive personal, family and community welfare services relevant to their unique circumstances and in accordance with applicable provincial and territorial legislation.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☐ INUIT

☐ METIS/NON-STATUS ☐ OTHERS

☒ LIVING ON RESERVE OR CROWN LAND

☐ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	.9	1.0	1.0	1.0	1.0
PYs					

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☒	☐	☐	☐
Achieving Expected Results	☒	☐	☐	☐
Is Need Being Met	☒	☐	☐	☐
Other Results	☐	☐	☐	☐
Alternative Methods of Achieving Results	☐	☒	☐	☐
Substantial Duplication /Overlaps	☐	☒	☐	☐
Administrative/ Management Constraints	☐	☒	☐	☐

CANADA/YUKON CHILD WELFARE AGREEMENT, (INAC 103)

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Minister of Indian Affairs and Northern Development

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	.9	1.0	1.0	1.0	1.0
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities	
Department	
Territorial Government	100 per cent
Other	

REMARKS

The agreement is working well, with services being provided by the Child Welfare Branch of the Yukon Territorial Government.

INDIAN AND INUIT ADULT CARE (INAC 43)

OBJECTIVES

To assist adult Indians and Inuit who are incapacitated, due to age or disability, to maintain a satisfactory level of physical and mental well-being.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development).

INTRODUCTION

As in other social service areas, the federal government has no legislative, treaty nor statutory responsibility to provide such programs.

DIAND uses the Canada Assistance Plan (CAP) as the only relevant federal standard for the design and delivery of the services which it funds. However, in the area of adult care, provincial legislation, regulations and standards are the primary bases upon which reimbursement is made to non-federal authorities for their provision of services. These services are made available to Indians on reserves, Indians off-reserve who have not established eligibility for provincial programs, and certain on-reserve non-Indians.

Since both institutional and home care is provided to Indian adults in need, the relationship of this type of service to actual health-care services has been an unresolved issue. Consequently, while the actual care is provided by health service professionals and para-professionals, the costs are met out of the DIAND social service budget.

ASSESSMENT

There have been no Assessment-of-Need studies undertaken by DIAND, since the bases for such assessment are dependent upon factors more directly related to the general well-being of the community (i.e. older, infirm adults do not constitute a need factor when they can be cared for by their families).

DESCRIPTION

Under Adult Care, the following services are provided or funded:

a. institutional care;
b. foster care;
c. in-home care;
d. homemaker services;
e. meals on wheels; and
f. some financial assistance.

RESOURCES ($ Million)

	83/84	84/85	85/86
Adult care	7.5	6.5	6.8

OUTPUTS

Provision of necessary services to elderly, infirm, disabled and/or mentally incompetent Indians.

CONSIDERATIONS

DIAND has developed no professional expertise for offering these services on reserves. Provincial and municipal government legislation and regulations are used as the basis upon which services are provided. Provincial, municipal, private and Indian institutions and agencies deliver the services.

The question of whether Indian adult care services should be the responsibility of DIAND or the Medical Services Branch of Health and Welfare Canada is unresolved. Adult Institutional Care, Home Care, and Ambulatory Health Care are all part of the extended health care package funded under the EPF program and available to native people on or off reserve. Since the determination of admission into these programs and the provision of the needed extended health care services are provided by health professionals, DIAND pays the bill but has no control over program delivery.

Most provincial adult care programs are designed for persons living in urban or settled areas, who have been brought up in a wage economy. Thus they fail to provide for other elements of adult care which are considered essential within the Indian community. At the same time, some provincial governments are not prepared to authorize adult care on reserves by bands, or in band-operated institutions.

When aged Indians are moved to institutions off the reserve, treatment is said to be impeded by the unfamiliarity of the patient's surroundings and language barriers. Consequently, some Indian communities have been pressing for appropriate institutional adult care facilities on the reserves.

ALTERNATIVES

Enter into funding/delivery agreements with all provinces for the provision of adult care to all aged Indians in need: this would formalize most of the present arrangements and would eliminate the need to have DIAND maintain its present intermediary role. Such revised agreements should continue to provide for direct Indian involvement in service development and delivery.

If the provision of adult care remains with the federal government, transfer the responsibility to the Medical Services Branch of HWC: since the assessment and provision of the actual services required are supplied by health professionals, the administration of the program by the Medical Services Branch would seem to be logical. The transfer would eliminate the need to duplicate administrative structures. The overall question of the relationship between DIAND and HWC in the area of Indian health services is dealt with in more detail in the health services review.

In the case of institutional care on reserves, consideration could be given to having Indian communities raise their own financing for senior adult care facilities, and then having them leased back to the senior government responsible for the provision of such care: this practice is common in most provinces, and is practiced on some Indian reserves (St. Therese Point, Manitoba; Six Nations Reserve, Ontario). It has been demonstrated that this is a workable alternative and that the involvement in, and attitudes towards, this approach by the Indian community have been positive.

CONCLUSIONS

Lacking a clear federal mandate for Indian adult care, overlap exists between federal departments, resulting in a situation in which DIAND pays the bills but has little control over the product.

Jurisdictional decisions are needed if the future delivery of adult care is to meet the needs of those affected within the Indian community, and to advance local community responsibility for and involvement in the program.

PREFERRED ALTERNATIVES

Immediate consideration should be given to entering into formal delivery agreements with all provinces to eliminate areas of federal administrative duplication and to provide for enhanced participation in program delivery by competent Indian authorities.

At the same time, while those steps are being undertaken, consideration should be given to transferring the responsibility for the provision of Indian Adult Care from DIAND to HWC pursuant to HWC's responsibility for Indian health.

Further consideration should be given to having Indian communities undertake the financing of institutions for the care of Indian adults, to be leased back to the senior government responsible.

INDIAN AND INUIT INDIVIDUAL AND FAMILY CARE WELFARE SERVICES (INAC 310)

OBJECTIVES

To ensure that Indian and Inuit individuals and family groups in need of care and protection, or of assistance in coping with personal and situational problems, have access to welfare services in accordance with government-approved standards.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

This category of services was created when the new Operational Planning Framework (OPF) was developed by DIAND in 1983/84. It covers those non-statutory elements of Child Welfare - Adult Care services for which no provision is made in provincial agreements.

ASSESSMENT

Given the conditions on reserves, it would appear that there may be an ongoing need for such services. No specific statistics are available, however.

PROGRAM DESCRIPTION

Individual and family-care services provide assistance to on-reserve Indian and non-Indian families in terms of (a) counselling and advisory services (b) homemaker services (c) services to children placed elsewhere with parental consent and (d) intermediate adult care services in institutions.

RESOURCES ($ Million)

	83/84	**84/85**	**85/86**
Grants and contributions	4.6	9.7	
Other O&M	5.8	1.4	
TOTAL	10.4	11.1	12.9
PYs	1	1	1

OUTPUTS

Provision of required services.

CONSIDERATIONS

There are no present legislative provisions which cover the services advanced under this program. In addition, provinces have indicated that they are not interested in actual provision of these non-statutory services under cost-sharing agreements.

If there is a need for these services, then it would appear that DIAND is filling a gap that exists between what can be provided by provinces under the terms of CAP and what is required by reserve communities.

Nevertheless, it would appear that these services clearly overlap with those provide under the Child Welfare and Adult Care Programs.

ALTERNATIVES

Eliminate this program category and provide any necessary services directly as Child Welfare or Adult Care: although the rationale for the breaking-out of this category of service from the overall classification was to be able to track such expenditures more clearly, there is no evidence that this leads to an improvement in service. On the contrary, there is a clear potential for overlapping provision of service in this area under the present circumstances.

CONCLUSION

Since it is claimed that these are necessary services not covered under present legislation or provincial agreements, future consideration should be given to determining how vital such services are and, consequently, whether they should be covered by specific legislation.

PREFERRED ALTERNATIVES

Immediate consideration should be given to re-integrating these services back into their respective root categories of Child Welfare and Adult Care.

Immediate consideration should also be given to reviewing:

a. the need for these services; and

b. the obvious potential overlapping delivery of such programs with those already provided under other similar program categories.

INDIAN & INUIT REHABILITATION SERVICES (INAC 311)

OBJECTIVES

To provide counselling and advisory services, including assessment and training, to physically, emotionally and/or socially handicapped Indians and Inuits.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

Funds are made available to band/tribal councils for the provision of rehabilitative counselling services. Financial reimbursements are also made to provincial or other agencies which provide skills and abilities assessments, and assist in the development of comprehensive rehabilitation plans and special programs for the handicapped.

These services are provided to Indian residents on reserves or on Crown lands, or who have not yet established resident qualifications in a province or territory. Some non-Indian residents on reserves are also assisted.

ASSESSMENT

There will be a continuing need to provide rehabilitation to the physically and mentally handicapped, but there are few mechanisms to project the number of individuals in need of such services or the duration and intensity of the program required on an individual basis.

PROGRAM DESCRIPTION

Adult Rehabilitation Services provides assistance to band/tribal councils and other provincial, municipal and voluntary agencies who, in turn, provide the counselling, assessment, advisory, and training or other rehabilitation plans required by handicapped Indians and Inuit.

RESOURCES ($ Million)

	83/84	**84/85**
Grants & Contributions	.1	.1

OUTPUTS

Provision of a variety of services required by adults to enable them to return to a full and productive life after suffering effects of emotional and physical handicaps.

CONSIDERATIONS

Although the funding expended in this area is relatively small, it nevertheless appears that the possibility for overlap exists. While some funds are provided to band/tribal councils for counselling services (often provided by band or tribal elders), financial reimbursements are also made to provincial or other rehabilitation agencies which provide skills and abilities assessments, and comprehensive rehabilitation plans and special programs for the handicapped.

ALTERNATIVES

Until a clearer assessment of need can be made, the program should continue in its present format. An assessment of need should be undertaken both in terms of (a) the number of Indians who require such assistance and (b) who can best provide the necessary services. Based upon that review, further considerations should be given to either entering into some general agreement in this area with provinces and, through them, appropriate agencies or of accessing services provided under the umbrella of the National Native Alcohol and Drug Abuse program.

CONCLUSIONS

While there appears to be some need to provide rehabilitation services to adult Indians, the nature and extent of the need is undetermined, as is the question of which agency or program can best deliver the services. Immediate consideration should be given to assessing those needs, with future consideration given to how those needs can best be met after the assessment has been made.

COMMUNITY SOCIAL SERVICES (INAC 312)

OBJECTIVES

To provide assistance and guidance to Indian bands and community organizations approved by bands; to design and deliver preventative social services to community residents.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

The provision of community social services is not covered by federal legislation nor by any agreements with provincial authorities. It is a recent development within the social-service sector to meet needs which have been identified within Indian reserve communities.

Under this activity, funding is provided for the operation and maintenance of day-care and drop-in centres, the establishment of homemakers programs, and the training of band staff to administer them.

ASSESSMENT

For the past few years, requests from bands for community social service funding has continued to increase. No statistical evidence of need is available. An evaluation study is underway but is hampered by lack of an acceptable definition of "community social services".

DESCRIPTION

Community Social Services includes provision of advice and guidance to band councils to assess the need to plan, budget for, and operate drop-in and day-care centres, and homemaker services. It includes staff training in these areas.

RESOURCES ($ Million)

	83/84	84/85	85/86
Community Social Services			
Contributions to Bands	3.1	3.8	3.8
Other O and M	.5	-	
TOTAL	3.6	3.8	3.8
PYs	3	3	3

OUTPUTS

By 1983/84, 44 day care centres were in operation in Ontario, Manitoba, Alberta, British Columbia and Yukon, accommodating 976 children. These figures were expected to rise to 48 and 1,116 respectively in 1984/85.

CONSIDERATIONS

This is another of the social services for which the federal government has no statutory or treaty responsibility. The definition and provision of community social services are very recent innovations of the Social Development Directorate of DIAND.

There is no comparable or generally accepted definition of community social services within provincial, territorial or municipal social service glossaries, although Alberta renamed its Preventative Social Services Program as Community Social Services about five years ago to reflect more accurately the nature of its activities.

These services are available only to reserve communities and Indians residing on reserves.

While there is no duplication of services, there is considerable overlap with other activities in the general area of social assistance.

ALTERNATIVES

Re-examine the need for these services: apart from the information on the number of day-care centres being operated, there appears to be no specific justification for the existence of this program.

In addition, the question of overlapping service provision is evident when it is noted that homemakers services can be provided by this program, as well as that of adult care and individual and family care.

Re-integrate the necessary features of this program into either the Social Assistance or Child Welfare programs: this would preserve the essential elements of this service for which there is a demonstrable need, while preventing any future service overlaps.

CONCLUSIONS

While there would seem to be an imperfectly substantiated need for some of these community social services, the overall program needs to be carefully re-examined.

PREFERRED ALTERNATIVE

Immediate consideration should be given to the review of the need for this program and integrating of its essential elements into other appropriate areas of the Social Services Program.

CATEGORY REVIEW

CULTURE AND COMMUNICATIONS

PROGRAMS

Eleven culture and communications programs are provided by DIAND and Secretary of State at a total 1984/85 budgeted cost of $59.8 million and 65 person-years. Appropriation Acts are the statutory authority for all programs.

Indian Culture/Education Centres -- DIAND helps Indian bands, primarily through 64 non-profit cultural/education centres, to offer education and cultural programs. Activities of the centres include revival of traditional skills, cultural research, language research and instruction, curriculum development for schools, teacher training, cross-cultural awareness and art exhibits. ($7.3 million and three person-years.)

Inuit Culture and Linguistics -- The Northern Program of DIAND promotes Inuit art, provides grants to artists, publishes a quarterly cultural magazine, assists in language development, provides translation services and administers two Inuit cultural/education centres. ($1.3 million and 15.5 person years.)

Indian Cultural Development and Art -- Activities include grants to Indian artists and promotion of Indian arts, including maintenance of an Indian art collection valued at more than $1 million. ($0.5 million and four person-years.)

Indian Recreation -- DIAND provides contributions to Indian bands for recreational programs on reserves and purchase of recreational equipment. ($1.6 million.)

Native Communications -- Secretary of State helps native organizations, through non-profit native communications societies, to use modern communications media to promote native languages and culture and to communicate with each other and the broader society on issues of concern to them. ($3.6 million and two person-years).

Northern Broadcast Access Program -- This program is also administered by Secretary of State and is similar to the Native Communications program except that it is oriented towards production of native radio and broadcast programming material in northern areas. ($7.1 million and seven person-years.)

Native Friendship Centres -- This program is operated by Secretary of State. Ninety-four centres have been established in cities across Canada to assist migrating native peoples in adjusting to an urban environment. ($15.1 million and three person-years.)

Native Social and Cultural Program -- Secretary of State operates a separate native component of its broader citizenship program in recognition of the special needs of natives in achieving full citizenship participation. ($2 million and 1.5 person-years.)

Native Representative Organizations Program -- Secretary of State provides financial support for basic operations to representative native organizations at the district, provincial/territorial and national levels with the broader objective of developing native leadership capable of influencing all levels of government and the broader Canadian society. ($13.7 million and three person-years.)

Aboriginal Women's Program -- Secretary of State provides support to native women's organizations at the national and provincial levels to encourage their participation in contemporary society. ($1.2 million and 1.5 person-years.)

Constitutional Support -- Secretary of State provides financial support to national representative organizations for participation in constitutional discussions. ($3.9 million.)

BACKGROUND

Most native culture and communications programs began over a decade ago when native people were experiencing extreme alienation from mainstream Canadian society. Cultural pride and identity had been eroded and native people lacked the organizational skills, the financial resources and social support institutions to regain their proper place in society. Through funding for such activities as the establishment of cultural/education centres and friendship centres, development of native political lobby associations, promotion of traditional and contemporary art forms and traditional languages, and adaptation of modern communications tools for native use, it was anticipated that the quality of life for native people would improve overall and that native people would participate more fully in Canadian society on terms acceptable to them.

COMMENTS

Social indicators demonstrate that quality of life for native people and participation in Canadian political, social and economic life remains lower than for other Canadians. To the extent it is accepted that culture and communications programs have contributed positively to the fuller participation of native people in Canadian society, the need for their continuation remains strong.

Evaluations of cultural programs are often inconclusive due to intangible benefits and impacts on native clients. However, as a general assessment and in comparison to a decade ago, native arts enjoy a more enhanced status (many native artists are now well-known to the Canadian public and native art has appreciated in value); native representative organizations are strong, vocal advocates of native interests and enjoy unprecedented access to Canadian political processes; native people have successfully adapted modern communications systems to their local needs; and native friendship centres and cultural/educational centres are well-established, visible institutions in urban areas and native communities across Canada. However, recent census data also indicates that use of native languages is declining, in spite of the millions spent by the federal government on native languages development over the past decade.

All programs in the category are discretionary and could thus be terminated. However, given the importance of these programs to native people and to the federal government (e.g. the existence of representative native organizations benefits the federal government as well), the Task Force may wish to review the programs separately.

FINDINGS

Overlap exists between DIAND, Secretary of State and the Canada Council in providing grants to native artists and arts groups, and between DIAND and Secretary of State in native languages development.

DIAND's separate Indian Program and Northern Program art collections and museology support activities constitute internal duplication of resources as well as overlap with the mandates and activities of the National Gallery and National Museum of Man.

DIAND does not have a corporate overview capability or integrated program management structure between the Indian Program and the Northern Program for similar or identical cultural programs offered North and South of 60. (To consider is the broader question of whether or not the cost of maintaining separate programming structures which distinguish between natives North and South of 60, as well as between Indians, Inuit, Metis and non-status Indians argues in favour of more integrated federal programming and structures for all natives.) For example separate cultural/educational centres programs, separate Indian and Inuit art collections and separate cultural granting programs are maintained (grants program South of 60 will be terminated on April 1, but the program North of 60 is retained).

Person-year levels for linguistic and cultural programs in the Northern Program appear high in comparison to levels in the Indian Program or Secretary of State for similar activities.

Similarly, Secretary of State's two separate communications programs for natives North of 60 and other native people South of 60 could be integrated, given their similar objectives. Grants for newspaper publications to representative associations under the Core Funding Program could also be integrated with these two programs.

In the funding of representative native organizations, the distinction between "core funding" from Secretary of State and other sources of federal funding is blurred and the concept of "representativeness" in the form of federal support to 57 organizations should be reviewed.

Although there has been substantial overlap of the activities of native women's associations with representative native organizations, separate support has been warranted due to under-representation of native women in these other organizations. The focus of native women's associations is expected to shift back to native communities following legislative change to equality provisions of the Indian Act.

Only $1.6 million out of total category expenditures of $59.8 million is specifically targeted to native youth (i.e. status Indian youth on reserves) where 52 per cent of natives are under 20 years of age.

The Native Friendship Centres Program ($15.1 million) is the only federal program specifically targeted to the large urban native population, and is an exception to the federal position that off-reserve natives are the responsibility of provincial governments. The centres serve identifiable needs, including provision of direct social services targeted to urban native needs.

Distribution of overall program benefits across the country is roughly in proportion to the regional distribution of the native population.

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

The Indian Cultural/Education Centres Program should be continued but consolidated with the Inuit Centres Program. Centres should be required to provide more activities on a cost-recovery basis, to more actively promote their services and programs to a wider clientele, and to expand centres programs and facilities to multi-purpose uses.

In the Inuit Culture and Linguistics Programs, the cultural/educational centres component should be combined with the Indian Program's identical program; Inuktitut language translation activities shold be privatized; other language development activities should be transferred to Secretary of State; Inuktitut magazine could be discontinued; and the cultural grants program cancelled to correspond to cancellation of the identical program South of 60. The Inuit art collection and related person-years could be transferred to the National Gallery (asset value of $1.7 million).

In the Indian Cultural Development and Art Program, the cultural grants component has already been cancelled for 1985/86; the art collection valued at more than $1 million, and related person years could be transferred to the National Gallery.

Alternatively, DIAND's native art collections could be transferred to a new native arts foundation if sufficient private sector support could be identified.

As the only program targeted to Indian youth on reserves, the Indian Recreation Program could be expanded beyond the current level of $1.6 million to provide more reasonable programming and recreational facilities on reserves (average $4,000 per reserve now provided). Fitness and Amateur Sport could also be asked to develop support for national and provincial native amateur sports organizations.

The Native Communications Program, at a cost of $3.6 million to the federal government, is an important tool to native development and should be continued. Its integration with the Northern Broadcast Access Program should be reviewed along with newspaper grants to representative native associations.

The Northern Broadcast Access Program, at a cost of $7.1 million is meeting identifiable northern native needs for radio and television broadcast programming and should be continued, subject to development of a federal exit strategy which takes into account potential commercialization of the program and continuation of local native participation ($7.1 million expenditure in 1985/86). A viable commercial audience may involve expanding beyond the present northern audience.

Native Friendship Centres provide the only targeted federal support to off-reserve native people ($15.1 million) and should be continued, subject to clarification of federal policy respecting responsibility for off-reserve services to natives (increased cost-sharing with provinces and promotion of self-financing could lead to a reduction in federal spending levels).

The Native Social and Cultural Program benefits, while often intangible, generates community, provincial and private participation and goodwill at a minimal cost to the federal government ($2 million) and should continue.

Native Representative Organizations Program, at a cost of $13.7 million, should continue with no substantive changes before the 1987 First Ministers' Conference, but thereafter an announcement of a federal intention to reduce core funds by 50 per cent in 1987/88, and a requirement that associations raise the balance of their core funding requirements through self-financing efforts be made. Funding levels in future years would augment by 50 per cent the previous year's level of self-generated funds. Further, an overall review of federal policy and application should be undertaken to ensure that other federal funding is consistent with principles of accountability to membership and self-financing requirements for representative associations.

Aboriginal Women's Program already covers fewer activities than the equivalent program for non-native women and should be continued ($1.2 million).

Constitutional support to representative associations is delivered through the Native Representative Organizations Program and should be continued until the 1987 First Ministers' Conference is held.

INDIAN CULTURAL/EDUCATION CENTRES PROGRAM (INAC 12)

OBJECTIVES

To assist Indian people in developing their own educational initiatives based on their culture.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.)

INTRODUCTION

Indian Affairs has supported this program since 1972. Non-profit cultural/educational centres develop educational and cultural programs based on the Indian/Inuit language, culture and heritage. Activities include revival of traditional skills, cultural research and events, language research and instruction, curriculum development, teacher training, cross-cultural awareness, and communications and resource services (i.e. libraries) for Indian and non-Indian communities.

There are 64 cultural/educational centres across Canada located on or near reserves serving a total of 305 Indian communities (63 per cent of the total Indian population) and one Inuit settlement in Quebec. A separate, but identical program is provided by DIAND's Northern Program for Inuit North of 60.

ASSESSMENT

The centres have been instrumental in instilling pride and cultural awareness in Indian communities and in promoting awareness of Indian culture in the broader society.

Centres provide full-, part-time and volunteer work for Indian and non-Indian people as well as a focal point for professional development of educators, linguists and artists.

There is no reliable user data for the centres' facilities, services or materials, although a 1978 sample of users indicates satisfaction with the centres and a desire to see them continue.

DESCRIPTION

Funds are released to bands, district councils, school boards and non-profit corporations supported by one or more Indian bands. Centres are completely managed by Indian/Inuit people.

Criteria for support to new centres include such factors as the number of Indians to be served, availability of funds from other sources, requirements for specific services, numbers of new projects, etc.

Cost recovery activities are included in program eligibility criteria, although most of the 46 single-band operated centres do not recover any costs.

The program does not provide for the purchase of or capital improvements to facilities (except to meet health standards). Centres are encouraged to access band O&M funds, use band-owned facilities or to use lease/purchase arrangements if they wish to acquire permanent facilities.

RESOURCES ($ Million)

	83/84	84/85
Salaries and Wages	.114	.120
O&M	.060	.061
Contributions	7.272	7.183
Capital	-	-
TOTAL	7.446	7.364
Revenues	-	-
PYs	3	3

OUTPUTS

Centres offer programs (teacher training, art and crafts instruction, art exhibits, etc.) and services of an educational nature based on Indian/Inuit languages, culture and heritage.

Beneficiaries include Indian and non-Indian schools and school boards, service organizations, researchers, artists, linguists, educators and local communities.

CONSIDERATIONS

The centres' activities have been incorporated into the community life of both Indian and surrounding non-Indian communities.

The culture and tourism aspects of some centres are of interest to provincial governments. As well, some centres have active relationships with provincial education authorities on native curriculum development.

Larger centres have become more active in cost-recovery activities and in marketing their services more broadly.

It is unknown whether bands use cultural/educational centres because dollars are available for this purpose or, if given the choice, would support them through band funds, or would turn to a wider market of other native experts (i.e. private consultants, academics, provincial authorities) in the educational, arts or cultural fields for specific services. One survey shows only 17 per cent of Indian school principals made frequent use of curriculum materials developed by the centres.

While there is no duplication with other federal programs, centres use funding from other departments (CEIC, Secretary of State) to support their activities.

Many centres would benefit from greater integration of education, cultural development, and community development activities, and from better coordination between the schools and cultural/educational centres. For example, centres could be used more widely as multi-purpose community facilities, and school programs and curricula could be developed more in conjunction with the capacity of the centres' services and resources.

ALTERNATIVES

Bands or Indian boards of directors already manage this program. Therefore, no other viable delivery vehicle is proposed.

At the community level, some centres' activities/facilities could be incorporated into a broader community development and educational system (facilities, programming, services) to serve a broader range of community needs.

If the objective is to redistribute DIAND's responsibilities, Secretary of State could administer the centres program in conjunction with its Friendship Centres Program.

The centres could be maintained as they now exist, but with an added program requirement to move as many activities as possible to a cost-recovery basis and to market their services to reach a broader native and non-native clientele.

CONCLUSIONS

The centres are unlikely to become self-supporting, although many activities could be provided on a cost-recovery basis to users.

The program mandate should be expanded to require a wider range of activities, marketing of services, and cost-recovery services and activities to augment operating funds provided by bands; in activities for which there is limited demand by bands (i.e. curriculum development), centres should acquire expertise on a consultancy basis with native experts rather than maintain permanent staffs.

Community education, cultural and community development programs and facilities could be better integrated to allow operations/facilities of the centres to address a broader range of community/educational/cultural/recreational needs (i.e. multi-purpose use of centres, better integration of school and cultural programs).

The program is identical to that for two Inuit cultural/educational centres North of 60. DIAND should review the option of consolidating the two programs for administrative efficiency.

PREFERRED ALTERNATIVE

Consolidate the Indian and Inuit Cultural/Education Centres programs for administrative efficiency and institute cost-recovery where appropriate.

INUIT CULTURE AND LINGUISTICS (INAC 85)

OBJECTIVES

To provide programs and services to strengthen Inuit culture and language and to promote Inuit art.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.)

INTRODUCTION

The Department of Indian Affairs and Northern Development promotes Inuit culture, values, lifestyles and linguistics through a variety of programs delivered from Ottawa in cooperation with provincial and territorial governments.

ASSESSMENT

Preservation of Inuit languages and culture and promotion of Inuit art are considered essential in assisting Inuit to participate in contemporary society.

DESCRIPTION

Activities include:

- support to two cultural/educational centres for operating and program activities through contributions ($525,000);
- grants to Inuit artists ($50,000);
- promotion of Inuit art through exhibitions, publications, maintenance of an art collection, marketing service and research ($625,000);
- language development ($81,000);
- publication of Inuktitut Magazine ($146,000);
- general administration i.e. publications, travel ($189,000);
- translation services ($25,000); and
- on-the-job training program (not included here; see Training and Mobility section).

Programs are delivered from Ottawa in cooperation with provincial/territorial governments and native organizations.

RESOURCE ($ Million)

	83/84	84/85
Salaries and Wages	.6	.6
Other O&M	1.0	.9
Grants and Contributions	.9	1.2
Capital	.1	.1
TOTAL	2.6	2.8
Revenues	-	-
PYs	13	24

OUTPUTS

A program evaluation conducted in 1983 observes that the program activities have contributed to the strengthening and preservation of Inuit culture and language in the face of rapid social change.

Specific outputs include:

- -publication of Inuktitut magazine, and production of Inuit records, calendars, dictionaries;
- -operation of two Inuit cultural/educational centres and direct managerial and program support to the centres;
- -translation of materials into Inuktitut (reports, correspondence, press releases, reference materials);
- -translation of audio visual materials into Inuktitut;
- -development of technical aids to present Inuktitut in written form;
- -provision of cultural grants to artists;
- -training in native languages; and
- -promotion of Inuit art (exhibits, promotional material, marketing support, purchase of art for departmental collection production of an arts newletter).

OBSERVATIONS AND CONSIDERATIONS

Cultural/educational centres have been forceful vehicles in the political and cultural development of Inuit. However, there are serious problems in the operation of the centres and in the achievement of the objectives set for the centres due to lack of trained personnel, high turnover and insufficient resources. If the centres are to develop as envisaged, technical assistance, training of centre staff and additional funding will be required. Experience of the Indian Program in managing an identical program South of 60 is not properly utilized.

In language development and translation, DIAND has played a useful role in ensuring native languages will not face extinction. However, native local authorities, territorial governments and the academic community could now assume and build on DIAND's work to date. DIAND's support in languages development overlaps with Secretary of State's Social and Cultural Program (language retention element).

The Inuktitut magazine has departed from its original mandate of informing Inuit about government programs and has become a cultural magazine (this shift does address interests of surveyed readers). There appears to be overlap with the cultural activities of native organizations in the north, although no organization currently has a capability to publish a magazine in Inuktitut covering all northern regions or to match the quality and continuity of the magazine's production.

In the cultural grants area, duplication exists with Secretary of State's Social and Cultural Program and the Canada Council's granting program.

In the Inuit art centre, duplication of expertise occurs with the Indian Program's art centre and more broadly with the mandates or activities of the National Museum of Man and National Gallery.

Overall, person-year levels in this area appear high in comparison to levels in Secretary of State or the Indian Program for similar activities.

ALTERNATIVES

Management of the cultural/educational centres could be incorporated with the identical program operated by the Indian Program South of 60; native expertise could be used to assist North of 60 Inuit centres on a fee-for-services basis.

Centres could be encouraged to play a stronger role in cultural/educational institutional stuctures arising from the land claims process.

Centres could be terminated and replaced by other cultural/educational institutions specifically arising out of ongoing claims and devolution processes.

In language development, the program (i.e. $81,000) could be turned over to Secretary of State to incorporate into existing language support programs there or transferred to northern authorities (i.e. cultural/educational centres, territorial governments, or other native authorities). Cultural/educational centres already place much emphasis on language development.

Translation activities could be transferred to the private sector, to Secretary of State, or to territorial governments.

Inuktitut magazine is unlikely to become self-supporting although this possibility could be further explored.

Alternatively, given the magazine's broad northern orientation, a coordinating body of regional cultural/educational centres could assume responsibility for it.

It could be terminated and existing regional publications utilized or expanded instead.

In the cultural grants area, the program could be terminated to correspond to termination of the same program for Indians South of 60. Responsibility could be assumed by Secretary of State (groups) and the Canada Council (individuals).

The Inuit Art Centre could be transferred to the National Gallery, National Museum of Man, the Government of the Northwest Territories, or to a new native corporate entity such as a national native heritage centre (asset value of art collection estimated to be more than $1 million; cost of promotional activities, $625,000).

As a minimum, museological expertise within DIAND could be consolidated between the Indian and Northern programs.

CONCLUSIONS

Duplication and/or overlap between the Northern Program and Indian Program within DIAND and with Secretary of State, Canada Council, National Gallery and National Museum of Man can be traced to the mandates of each which require that distinctions be made between Indians, Inuit, Metis and non-status Indians for program eligibility purposes. In addition, headquarters person-year levels appear high when viewed in the context of the devolution objective and in comparison to similar activities carried out elsewhere, and should be reviewed by DIAND.

INDIAN CULTURAL DEVELOPMENT AND ART (INAC 313)

OBJECTIVES

To support Indian people in preserving, developing and expressing their cultural identity and in developing community social and cultural programs that respond to their needs.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development)

INTRODUCTION

DIAND has purchased Indian art for approximately 20 years. The works are displayed in federal and parliamentary offices as well as in local and international expositions. The collection is valued at over one million dollars.

Since 1965, DIAND has also provided grants to Indian artists and artistic groups, both on and off reserves. The program is highly decentralized and grants are often administered following consultation with Indians through regional cultural grants committees. The grants component will be terminated on April 1st as part of general restraint.

The program does not provide business support for arts and crafts industries.

ASSESSMENT

Preservation and development of Indian art and culture is viewed as essential to continuation and development of Indian cultural identity and to participation in Canadian society. Pursuit of cultural activities is also a means of economic livelihood for many Indian individuals.

DESCRIPTION

Cultural Grants -- non-accountable grants have been provided to individual Indian artists or groups living on or off reserves for endeavours such as painting, sculpting, theatre, literature, film, music, dance.

Grants have been generally provided only once to artists early in their careers. A maximum grant for any one individual has been $5,000. The Canada Council (individuals) or Secretary of State (groups), rather than DIAND, will now become the focal points for native artists seeking federal grants.

Indian Art -- activities include maintenance, storage, display and purchase of works of Indian art. Exhibitions are coordinated with other government agencies for national and international exhibits.

RESOURCES ($ Million)

	83/84*	84/85*
Salaries and Wages	-	.1
O&M	.1	-
Grants	.5	.4
Capital	-	-
TOTAL	.6	.5
PYs	-	4

* does not include assets of $1 million in Indian art

OUTPUTS

- Grants have been awarded to Indian individuals or organizations requiring assistance.
- Encouragement of young artistic talent has led to a source of economic livelihood for some individuals.
- The general public benefits from the works and talent of Indian artists, and intercultural understanding is promoted.
- A national collection of Indian art valued at more than one million dollars is maintained and displayed and new works are acquired. Positive aspects of Indian culture are reinforced and Canada's multicultural image abroad is enhanced by exhibits of the collection.

CONSIDERATIONS

Cultural Grants -- the Canada Council's granting program mandate does not exclude native artists. Secretary of State also provides cultural grants to groups of artists. Some Indian artists have also received provincial support due to provincial interest in the culture and tourism aspects.

Indian Art -- the National Gallery of Canada and National Museum of Man have broad mandates to purchase, maintain and display Canadian art and artifacts, including Indian art. The National Gallery has not recognized Indian art as a contemporary Canadian art form to date and has not been willing to acquire DIAND's collection (this may be changing as the gallery has recently acquired an Inuit art collection). Alternatively, Indian people would object if the collection was transferred to the Museum of Man due to its ethnologically based (as opposed to contemporary) interest in Indian art.

ALTERNATIVES

Indian Art

- A private foundation (i.e. Native Heritage Centre) could be established jointly with private sector support to assume and manage DIAND's permanent Indian art collection.
- The collection and related person-years could be transferred to the National Gallery with instruction that the gallery give some prominence to Indian art.
- The collection could be transferred to the National Museum of Man where planning is already under way for permanent exhibition space for Indian art in its new facilities.
- The collection could be disposed of through public sale and the assets returned to general revenues.
- DIAND could continue to maintain the collection.

Cultural Grants

- Since the Cultural Grants program has been cancelled, responsibility will, de facto, be assumed by Secretary of State (groups) or the Canada Council (individuals).

CONCLUSIONS

Indian Art

Overlap with the National Gallery of Canada's mandate and with the activities of the National Museum of Man would continue if the program remains in DIAND. Further, DIAND does not have adequate facilities or expert staff to properly maintain, store or exhibit the collection. Indian artists would prefer to see the collection transferred to the National Gallery rather than the Museum of Man.

While establishment of a new native arts foundation to house native art collections could be explored, it is unlikely to be realized through self-financing.

Cultural Grants

Duplication has already been eliminated. Secretary of State (groups) and the Canada Council (individuals) retain authority to provide support to native artists.

INDIAN RECREATION PROGRAM (INAC 320)

OBJECTIVES

To provide funds to Indian bands for recreational programs and purchase of recreational equipment on reserves.

AUTHORITY

Appropriation Act; Department - Indian Affairs and Northern Development.

INTRODUCTION

DIAND has funded on-reserve recreational programs since 1978. Previously, Fitness and Amateur Sport, Department of National Health and Welfare, administered the program.

ASSESSMENT

Beneficiaries are primarily status Indian youth on reserve and crown lands. This is one of the few programs targeted to the needs of on-reserve Indian youth (52 per cent of the native population is estimated to be under 20 years of age). Four-hundred reserves currently use the program.

DESCRIPTION

DIAND is the only federal department or agency providing support for Indian recreational programming on the reserves (average $4,000 for each of 400 participating reserves).

Support is through contributions to bands. Up to $10 per capita may be spent by bands with an on-reserve population of up to 500. Bands with a population of 500 or more receive an additional $1.00 per capita. Bands use recreation funds for other priorities at their discretion.

RESOURCES (\$ Million)

	84/85
Salaries and Wages	-
O&M	-
Contributions	1.7
Capital	(see Infrastructure programs)
PYs	-

OUTPUTS

Recreational programs and equipment are provided for reserve-level recreational activities. The youth population is the primary beneficiary. Recreational programs contribute to the quality of life of Indian youth facing high unemployment, serious alcohol and drug abuse levels and high drop-out rates.

Effectiveness is limited by the ceiling on funding to bands for construction of recreation facilities.

No evaluation of this program has been undertaken.

CONSIDERATIONS

There are no overlaps with provincial governments for on-reserve recreational programming.

Physical facilities to complement recreational program dollars are provided through the Infrastructure Assets and Facilities Program up to $200,000 per band. This is generally inadequate for construction of permanent facilities such as gymnasia or arenas.

Fitness and Amateur Sport does not provide community-level programming, although other targeted groups such as women, the handicapped and youth are beneficiaries at the level of provincial or national sport organizations.

ALTERNATIVES

Should funds be cut, there would be no alternative source of programming dollars for Indian youth on reserves. Similarly there is no alternative delivery mechanism other than bands.

The program could be expanded, along with improvement of capital sports facilities on reserves to respond to the enthusiasm of Indian youth for sports and recreation programs.

In addition, Fitness and Amateur Sport could provide support to national and provincial native sports organizations, similar to that provided to women's, handicapped and youth sports organizations, to promote native excellence in amateur sports.

CONCLUSIONS

The program should be continued and, if possible, expanded given that adequate recreational activities could off-set youth alcohol and drug abuse and juvenile delinquency on reserves (only $4,000 average per band is currently directed towards Indian youth through this program).

Consideration should be given to the question of better targeted programming for native youth as a means of reducing future costs to government for social maintenance programs.

Fitness and Amateur Sport is ideally placed to encourage native sports organizations to develop.

NATIVE COMMUNICATIONS PROGRAM (SS 25)

OBJECTIVES

To enable native people to develop and control modern communications networks.

AUTHORITY

Appropriation Act; Department - Secretary of State.

INTRODUCTION

The program was established in 1974. Its existing mandate is subject to ministerial review by March 31 1985, before renewal can be considered.

Mainstream media do not reflect the social, economic and cultural interests of native people. The program helps native people to participate in Canadian society through the use of modern media (newspapers, radio). Dialogue between native people and with mainstream society on issues of interest to native people is promoted by the program.

ASSESSMENT

Native peoples need modern communications technologies to exchange specialized information, to maintain their own languages and cultures and to communicate with the broader Canadian society on issues of concern to native people.

DESCRIPTION

Funds are provided to 14 native communications societies across the country. Manitoba, southern Ontario, New Brunswick and Prince Edward Island do not have native communications societies and are thus unserved by the program.

Twenty-four per cent of native communications societies' operating budgets is from self-generated funds. Another 24 per cent is from provincial sources. Federal contributions and grants support operational costs of communications societies, special projects, training, community radio, media workshops, establishment of new societies and liaison between societies.

RESOURCES (\$ Million)

	83/84	84/85
Salaries and Wages	-	-
O&M	-	-
Grants/Contributions	3.3	3.7
Capital	-	-
Revenues	-	-
PYs	2	2

OUTPUTS

Approximately 200 native people are employed full- and part-time by native communications societies and have been trained or gained valuable experience in modern communications (i.e. broadcasting, journalistic, programming areas, as well as in program/project administration). Another 100 are engaged in contract or voluntary work.

Fourteen native communications societies receive funding for activities such as production of newspapers (approximate total circulation of 75,000), radio programs and maintenance of 70 community radio stations, cable television programs, photography displays, archives and radio studios.

Native languages and cultures are reinforced and rural native communities benefit from regular, specialized media services.

High-frequency radio is used by hunters and trappers for general communications and emergencies.

OBSERVATIONS AND CONSIDERATIONS

The program assists mainstream media to utilize existing communications systems and provide native people with the means to adapt these media to their needs. (Mainstream media have not placed a high priority on native clients).

Self-sufficiency of native communications societies does not appear possible in the near future (small, mostly rural market catering to low-income, socio-economic group).

Termination of the program would deprive native people of training and participation in an important advanced technology area, as well as of the tools to communicate with each other and with other Canadians.

Training aspects are complementary to CEIC programs (i.e. program pays only for costs related to training).

British Columbia and Nova Scotia are the only provincial governments which provide support to native communications societies. Some provinces are known to be skeptical about their support to native communications societies, given that governments are often the target of native media.

ALTERNATIVES

If the program is terminated, native interests are unlikely to be served by mainstream media. Alternatively, native communications societies are unlikely to become self-supporting.

Newspaper grants to representative native associations under the Representative Native Organizations Program could be transferred to this program.

CONCLUSIONS

The program complies with Secretary of State's overall mandate to promote citizenship participation in all spheres of activity in Canadian society and should be continued.

The program has similar objectives to the Northern Broadcast Access Program and could be integrated with this program.

PREFERRED ALTERNATIVE

Continue the program but review its possible integration with the Northern Broadcast Access Program and the newspaper grants component of the Representative Native Organizations Program.

NORTHERN BROADCAST ACCESS PROGRAM (SS 30)

OBJECTIVES

To assist native communications companies to produce regional native language radio and television programming for new and existing communications networks, and to train and employ native people in a media industry in Canada.

AUTHORITY

Appropriation Act; Department - Secretary of State.

INTRODUCTION

The program, established in 1983, has a four-year mandate to expend $38 million to assist northern native communications societies to develop production capability and facilities in the North and to produce radio and television broadcast programs relevant to the needs of native people in northern regions.

ASSESSMENT

Native northerners in remote areas have a need for broadcasting programming relevant to their needs and interests and in native languages (which are often the first and only language).

Before receiving federal funds, applicants must demonstrate audience potential and evidence of deficiency in other regional programming in serving native needs. In addition, annual audience surveys are required to ensure needs continue to be met.

The program allows 13 native communications societies to fill the gap for native-specific programming which existing broadcasting organizations including the CBC*, have not been able to supply.

---

* The CBC has a "Northern Service" budget of about $5 million consisting primarily of radio programming North of 60 and about five hours of native programming (Inuktitut) in its satellite delivered "Northern Service".

The program allows native people to exploit the advanced technological systems geared to remote areas already in place in Canada (i.e. extensive satellite and terrestrial distribution systems). Preliminary assessment shows that limited access to air-time on existing networks is inadequate. A long-range need may well be a separate native television channel.

DESCRIPTION

The program is intended to enable Inuit broadcasters to maintain their existing television production capability and programming distribution and to allow Indian and Metis communications societies to produce equivalent radio and TV programming in the Yukon, NWT and the northern provinces.

Contributions are provided to non-profit native communications societies for:

- radio and television programming relevant to needs of northern native residents; and
- distribution of programming.

RESOURCES (\$ Million)

	83/84	84/85
Salaries and Wages	-	-
O&M	-	-
Grants/Contributions	4.3	7.2
Capital	-	-
PYs	7	7

OUTPUTS

Thirteen native communications societies receive support to broadcast radio and television programming to 211 northern native communities in such languages as Cree, Algonquin, Inuktitut, Ojibway, and Inuvialuktun, etc.

One hundred and seventy-eight native northerners are employed as a result of the program and have gained valuable experience in a key high technology sector.

A preliminary evaluation of the program shows a high audience viewing of programming outputs. Nearly nine hours of television and 77 hours of radio programming per week are provided.

Other related communications technologies (messenger systems) are being explored for possible use in northern communities (computer research data, Telecom Canada's Envoy 100 electronic mail service).

Existing broadcasting corporations receive hours of free Canadian programming provided by native communications societies.

OBSERVATIONS AND CONSIDERATIONS

The success of the program is dependent on the willingness of existing northern broadcasting corporations to allow natives access to their systems for air time. In the case of CBC television, this includes access to its satellite feed and programming schedule.

The television programming produced by natives provides northern natives with an alternative to state programming provided by the CBC.

The program has similar objectives to Secretary of State's Native Communications Program and could be integrated with it for administrative efficiency (discussion has already begun on this point between Secretary of State and Treasury Board).

The program objectives do not contain an exit strategy for the federal government beyond the existing four year mandate.

ALTERNATIVES

Existing broadcasting organizations (i.e. CBC) could be asked to provide more native specific programming in remote northern areas, thus reducing the need for native communications societies. However, little cost-saving could be expected for television broadcast programming since CBC programming budgets would have to be augmented to accommodate more native programming. Further, it is unclear whether northerners (native people included) would be prepared to see CBC general programming replaced by native programming.

At some additional cost to the federal government, a commercial native television channel could be offered with technical and possible marketing arrangements provided by the CBC and Cancom (the native audience market would probably have to expand beyond the existing northern focus for commercial viability). The CRTC is presently reviewing its policy respecting northern native broadcasting and will be holding informal meetings with native communications societies in the near future. It is possible it could conclude that subscription revenues could support a native distribution network.

CONCLUSIONS

The program, although only about two years old, shows promise as an effective tool for meeting special native northern broadcast programming needs and should be continued. However, the shortage of air time for native northerners on existing networks indicates that a strategy is required to move the program towards a more stable future. In the short-term, this could include purchase of air time. Moving to an independent commercial base should be considered as a longer term objective, even if the viability of the commercial option includes expanding to a broader native audience elsewhere in the country.

NATIVE FRIENDSHIP CENTRES PROGRAM (SS 29)

OBJECTIVES

To help migrating and resident native peoples adjust to an urban environment.

AUTHORITY

Appropriation Act; Department - Secretary of State.

INTRODUCTION

The Native Friendship Centres Program began funding 40 existing centres in 1972. Today there are 94 centres across Canada providing basic community services and programs for native people in urban areas. Approximately 56 per cent of the centres' total annual revenue comes from non-federal sources and self-generated funds (provincial support is approximately 28 per cent of centres' revenues).

ASSESSMENT

The off-reserve Indian population is now approximately 30 per cent and has doubled in the past decade. Seventy-two per cent of all Canadian natives live in the four western provinces and Ontario, where native urban populations are estimated to be high. Instability in the off-reserve population and high unemployment rates contribute to heavy demands on centres for services and programs geared to the special needs of urban natives.

By 1988, the National Association of Friendship centres should expand to 102 urban communities from the current 94 (Secretary of State is only expected to support three new centres).

A 1982 evaluation by the Bureau of Management Consulting concluded that a critical need to continue the program exists, particularly during current economic conditions.

Non-native people also participate in some recreational and cultural programs offered by the centres, or serve as board members, employees or volunteers.

DESCRIPTION

Funding is provided on a grants basis for maintenance, training, community interaction support and special projects. Capital projects are funded through contribution agreements. A recent addition to the program is a training component for native staff working in the centres.

Cost-sharing agreements exist in some provinces for some services (i.e. Native Courtworkers Program).

RESOURCES ($ Million)

	83/84	84/85
Salaries and Wages	-	-
O&M	-	-
Grants/Contributions	$14.6	$15.1
Capital	-	-
PYs	3	3

OUTPUTS

Centres provide more than 1,000 direct and indirect jobs for native people each year, as well as support an active voluntary sector serving urban native needs.

Centres improve the quality of life for native people through culturally sensitive programs and services designed by native people themselves.

Centres are instrumental in promoting federal/provincial/municipal cooperation; in providing unique and direct social services for native people; in providing referral services to appropriate levels of government; and in acting as advocates for urban native people on issues of concern to them.

Better intercultural understanding is demonstrated through increased native-sensitive services by provincial and municipal governments and through participation of non-natives in voluntary work and in recreational and cultural programs offered by centres.

CONSIDERATIONS

The centres operate in a critical area of contention between federal and provincial governments over respective responsibilities for urban native people. There is no overlap with other programs and services per se; rather the centres' activities complement or extend existing federal and provincial services for urban natives.

The centres are instrumental in promoting cooperation between different levels of government, as well as in generating an active voluntary sector supporting urban natives.

A recent evaluation has concluded that, given the level of funding, the centres provide good value to the federal government for money appropriated.

Self-financing is becoming a major thrust for many centres. In some instances, separate profit-making bodies have been established by centres to achieve more independence from government funding (janitorial and catering services, handicrafts shops, etc.).

ALTERNATIVES

The federal government could take the position that all off-reserve native people, including status Indians are a provincial responsibility and terminate the program.

Minor savings could be achieved by setting a moratorium on new centres and reducing federal expenditures to core support only.

A short-term injection of federal funds for exploration of new self-financing initiatives could lead to long-term, permanent reduction in federal support.

The federal government could propose formal cost-sharing with provincial/municipal governments to increase provincial support levels by 16 per cent (currently 44 per cent federal and 28 per cent provincial).

CONCLUSIONS

The program should be continued pending clarification of federal policy on jurisdictional responsibility for off-reserve native people.

NATIVE SOCIAL AND CULTURAL DEVELOPMENT PROGRAM (SS 27)

OBJECTIVES

To enhance the unique identity of native citizens within the larger Canadian society; to encourage greater participation by native citizens within all facets of Canadian society; to promote a climate of understanding and appreciation between native citizen and the larger community; to respond on the basis of consistent criteria to the expressed social and cultural needs of native citizens; to ensure effective coordination of the interests and expertise of departments and agencies concerned with the development of native citizens.

INTRODUCTION

The program was established in 1976. A language retention component was added in 1983. All funding is through grants to short-term social or cultural projects ranging from elders conferences to summer language camps, native awareness weeks and pow-wows.

ASSESSMENT

Cultural development and intercultural understanding viewed as essential to native cultural identity and participation in Canadian society.

Local native communities are primary beneficiaries, including on and off-reserve status Indians, non-status Indians, Metis and Inuit groups.

No formal evaluation of the program has been undertaken. However, applications for support from native groups far exceed available resources.

DESCRIPTION

Social and Cultural: projects must be initiated, administered and run by native groups. Projects should include a cultural development component (cultural festivals, exhibits, theatre, curriculum development, educational) or social development component (life-skills, leadership training, community development, participation in voluntary organizations).

No project may be financed 100 per cent through the program; available federal dollars may only be utilized to augment funds from other sources such as provincial governments, voluntary sector, or private sector. No capital expenditures are allowed.

Language Retention: projects may include learning aids development, language retention assistance and language development, research and documentation.

RESOURCES (\$ Million)

	83/84	**84/85**
Salaries and Wages	-	-
O&M	-	-
Grants	2.2	2.1
Capital	-	-
	2.2	2.1
Revenues	-	-
PYs	1.5	1.5

OUTPUTS

Short-term employment is generated for individuals particpating in projects.

Extinction of native languages, traditions and culture isprevented.

Native cultural identity is enhanced social, needs are met, and community participation is generated through the 113 projects supported.

Intercultural understanding with broader Canadian society is promoted through the levered funding approach.

Interaction between native elders and youth is promoted.

Goodwill between native people and the federal government is generated of a minimal cost.

CONSIDERATIONS

The partial funding approach promotes cooperation between native groups, the federal government, voluntary sector, private sector, and provincial governments.

Overlap with DIAND's cultural grants program (i.e. support to groups rather than to individuals) will be eliminated as of April 1 upon termination of DIAND's cultural grants program.

ALTERNATIVES

No alternative federal programs exist for native groups although the Canada Council, CBC and DIAND provide complementary programs.

CONCLUSIONS

The program constitutes the native component of Secretary of State's broader multicultural activities for other Canadians. While the achievements of such programs are often intangible, it is concluded that the program's objectives are sound and that the program should be continued.

NATIVE REPRESENTATIVE ORGANIZATIONS (CORE FUNDING) (SS 26)

OBJECTIVES

To assist groups representing Indian, Metis and non-status Indians and Inuit to communicate their needs and views effectively to all levels of government, to participate in the political, social and economic institutions of Canadian society and to contribute to the development of aboriginal leadership.

AUTHORITY

Appropriation Act; Department - Secretary of State.

INTRODUCTION

After the 1969 White Paper was set aside, the federal government agreed to consult with native people on their future relationship with the rest of Canadian society. It was believed that with low native voter participation rates, native people were not well served by the normal parliamentary process (federal voting rights were extended to Indians in 1960 and Quebec only extended rights in 1969). The funding of native representative organizations was viewed as a means of encouraging native political development and participation and of improving public awareness of native concerns.

The Core Funding Program was established in 1971 with growth (including inflation) as follows:

1971-73 - $6 million to 24 associations
1974-76 - $8.3 million to 34 associations
1977-81 - $9.2 million to 42 associations
1982-83 - $12.9 million to 52 associations
1983-84 - $13.4 million to 57 associations*
(average $240,000/association)

In May 1983, Cabinet approved a three-year extension to the program on condition that an interdepartmental task force report to Cabinet within one year on amendments to the program. The study team has concluded that a broader federal-wide policy review is required which will set out principles, objectives and resource parameters for the future program, since Secretary of State funding to representative native organizations is only about 13 per cent of the total amount of federal funding sustaining these organizations. No further work is underway in Secretary of State at the moment.

---

* All other Canadian non-native ethnic organizations received a total of $18.3 million in 1984/85 from Secretary of State under its Multiculturalism Canada Program.

ASSESSMENT

The federal and provincial governments rely on the existence and active participation of representative native groups in ongoing constitutional discussions. They also seek advice from native organizations on native policy and program issues.

The representative associations have relied on federal funds for their existence since 1971, with 13 per cent of their total revenues coming from Secretary of State, 90 per cent from the federal government overall and 10 per cent from provincial and other sources.

There is no reliable program evidence that existing representative organizations represent all those they claim to represent or that the organizations are addressing adequately the needs of their membership.

DESCRIPTION

The program provides "core" support through accountable contributions and grants for publications to eligible organizations. The "core" element supports staff salaries and benefits for essential staff, general office and administration expenses, travel and per diem expenses for board members, executive officers and other non-program staff, meetings and conference expenses, and professional services.

All core support is delivered from Ottawa. Newspaper grants are administered at the regional level. Funds are allocated on a formula basis taking into account the geographic area served, estimated population served, comparative travel costs, local living costs, and staff size (minimum of 10 for a national office). Federal job classification standards are used for calculating staff costs. Translation requirements and isolated post allowances are also included.

RESOURCES (\$ Million)

	84/85	83/84
Salaries Wages	-	-
O&M	-	-
Grants & Contributions	14.4	13.4
Capital		
Revenues	-	-
PYs	2.5	2.5

OUTPUTS

Native representative organizations have become vocal, active advocates of native concerns. The leadership and specialist skills developed in these organizations (i.e. legal and constitutional, education, communications, financial, administrative, etc.) benefit not only the individuals involved, but governments, native people, the media, academic community and other sectors of Canadian society as well.

Specific outputs by the organizations cannot be attributed directly to the core funding program. However, federal funding overall is instrumental in supporting such outputs as policy and program advice, constitutional positions, government/Indian consultative processes, claims research, native newspapers and bulletins to constituents, and programs and services to bands.

The total estimated employment level in native representative associations resulting from all funding sources is 2,000 full- or part-time jobs.

OBSERVATIONS AND CONSIDERATIONS

Evaluations of the program conclude that the policy framework for the program is unclear, the degree of constituents is weak, the program design does not allow for measurement as to whether it is achieving its objectives, and the criteria for allocation of funds to associations is unclear.

With the proliferation of associations (caused by fragmentation of existing bodies, and the emergence of new groups, particularly tribal councils), the federal government is placed in the awkward position of assessing the representiveness of native associations for funding purposes, thus making the federal government vulnerable to charges of interference in native political development.

Increased pressure to provide core funding for sub-provincial groups may indicate a continuing trend towards more local rather than national level representation.

Delivery of the program from Ottawa has the effect of conferring national importance on provincial or sub-provincial native organizations, encourages application of possibly inappropriate national standards and criteria by Secretary of State, and overlooks the experience and sensitivity of Secretary of State's regional offices in handling provincial-level issues. Further, the formula approach to funding may be tilting program support away from more representative organizations.

Federal core funds are not levered in any manner to immediate or future self-financing initiatives by associations, to provincial government support (in the case of provincial-level associations) or to proof of membership served by a native organization (i.e. band council resolutions, membership lists, etc.).

The program cannot be assessed in isolation from other sources of federal funding as the distinction between "core" funding and other sources of federal funding is blurred (total federal funding in 1984/85 to the 57 "core-funded" associations from six federal departments was approximately $102 million, including native claims). Overall federal funding levels should be reviewed as well as purposes in the context of federal objectives for supporting representative organizations at all levels (broad federal objectives applying to all departments have never been formulated).

The stability and cooperation of existing national representative organizations in upcoming constitutional discussions could be affected by major changes to the core funding program at this time.

The participation of native people in Canadian political processes has improved overall and Canadians are generally more aware of native concerns today than in 1971. However, consideration should be given to whether or not it is in the best interest of parliamentary government to encourage a separate representative system for native people (some associations view themselves as higher levels of "Indian government" in relation to Indian sovereignty aspirations). There is firm evidence that Indian voter participation is steadily declining; there is a need to reflect on whether federal support for a separate native representative system is appropriate in light of this.

ALTERNATIVES

1. Terminate the Core Funding Program.

   The core funding program could be determined to have met its original objectives and be terminated. Its phase-out could be timed to coincide with completion of the 1987 First Ministers Conference on Aboriginal Affairs. This date would also provide adequate notice to associations to locate alternative funding sources. A variation of this option would be to fold the program into Secretary of State's Multiculturalism Canada Program.

2. Reduce core funding levels.

   Core funding program costs could be reduced through a number of means:

   - by providing federal support to national level organizations only (appropriate account to be taken of regional Inuit associations and other organizations representing members from more than one province); support to provincial/territorial-level organizations to be provided by constituents, provincial/territorial governments and other sources;

   - by providing federal support to provincial/territorial level organizations only;

   - by reducing support levels at both the national and provincial levels by a certain percentage, or moving to a "matching grants" formula (i.e., for every dollar generated by an organization, a matching grant would be provided by the federal government).

3. Establish a new approach to government/native relations.

- A new federal Native Advisory Council could be appointed as the focal point for government/native relations at the national level. This could be a federation of existing national representative native organizations or independent native specialists. Fundamental to this option is the conclusion that 57 native organizations is an unwieldy myriad of organizations to "represent" native needs and views to governments, and that instead, the federal government will seek "informed" rather then "representative" advice. Also, it resolves the dilemma whereby consultation and negotiation processes with representative organizations have evolved into joint decision-making processes often resulting in protracted discussions or charges of bad faith when federal executive decision-making authority is exercised. The advisory council could be established under separate legislation to ensure an arms-length relationship with government.

4. Improve Value for Money of Existing Program.

Secretary of State could:

- decentralize core funding to Indian bands for status Indian associations; for Metis and non-status associations, a federal support formula could be tied to actual proven membership numbers, not to size of the entire Metis/non-status population. A one-year notice could be given before moving to this system to enable the federal government to make appropriate administrative arrangements with bands and to provide associations with a planning horizon for negotiating support levels with bands or members; or

- continue to administer core funds, but on the basis that self-financing plans be submitted by organizations (membership fees, fee-for-service activities, corporate sources, provincial governments, fund-raising events) so that in two years, 50 per cent of an organization's core funding requirement is generated by the organization itself; no new associations to be funded until then; after two years, continuation of core funding to existing organizations or eligibility of new organizations will be contingent on their ability to raise 50 per cent of their required core funds.

CONCLUSIONS

Any of the foregoing options will be perceived by native organizations as radical departures from existing practice.

The federal government should remove itself from the position of deciding on the representativeness by native associations of native people. Instead, federal support should be in response to demonstrated support by the membership of these associations.

The large number of native representative organizations (i.e. 57) complicates the ability of the federal government to consult with representatives of native people.

Adjustments to the core funding program cannot be addressed apart from the approximately $87 million in sustaining funds which representative associations receive annually from other federal sources, primarily DIAND. When claims support is subtracted, this amount remains high at more than $39 million.

PREFERRED ALTERNATIVES

That no substantive changes be made to the funding of native representative organizations before the 1987 First Ministers Conference, but an announcement be made that core funds will be reduced by 50 per cent in 1987/88 and to require that associations raise the balance of their core requirements through self-financing efforts. Core funding in future years would augment by 50 per cent the level of the previous fiscal year's self-generated funds.

An overall review of federal policy and application be undertaken to ensure that other federal funding is consistent with principles of accountability to membership and self-financing requirements for representative associations.

ABORIGINAL WOMEN'S PROGRAM (SS 28)

OBJECTIVES

To support and encourage projects and activities for the participation of native women in contemporary society.

AUTHORITY

Appropriation Act; Department - Secretary of State.

INTRODUCTION

In existence since 1976, the program recognizes that aboriginal women are disadvantaged both by their ethnicity and their sex and that they can contribute to improving the social and economic status of native women.

Although national and provincial/territorial native women's organizations address broad interests (i.e. education, youth, health, social and cultural activities, etc.), recent efforts have been primarily focused on the constitutional process, aboriginal self-government and discriminatory legislation.

ASSESSMENT

Aboriginal women do not enjoy full participation in other core funded representative aboriginal organizations, or in other facets of Canadian society, and thus separate organizational support is warranted.

The federal government has actively solicited input fromnative women's organizations in key policy areas in the past (i.e. changes to equality provisions of the Indian Act).

DESCRIPTION

The program's goal of advancing the social, cultural, political and economic equality of aboriginal women is addressed through provision of project funding to two national and 21 provincial, and territorial native women's groups.

Groups may not receive 100 per cent of their funding from the federal government; other resources must be identified.

Funding is in the form of contributions and grants to incorporated voluntary organizations. Activities funded include liaison and representation of their needs at national and provincial levels, community level activities and workshops and conferences on current native issues.

Operational funding is provided to the two national organizations only (provinces of Québec, Ontario, Saskatchewan and Northwest Territories provide operational funding to regional native women's groups); other federal funding is for projects only.

RESOURCES ($ Million)

	83/84	84/85
Salaries and Wages	-	-
Grants (contributions)	1.2	1.2
Capital	-	-
PYs	1.5	1.5

OUTPUTS

Aboriginal women contribute to improving the social and economic status of themselves and their communities through community projects and participation in the provincial and national level activities which affect them and their communities.

Substantive position papers and active representational activities have allowed the concerns of native women to be expressed on constitutional matters, social and cultural policy, education, health, economic development, self-government and discrimination against Indian women.

OBSERVATIONS AND CONSIDERATIONS

Support to disadvantaged native women is consistent with federal efforts to improve the status of women overall. Similar, but broader support is also offered by Secretary of State to general women's organizations (i.e. operational funding for regional level organizations). Support to non-native women's associations is $9.2 million.

Native women's associations provide a service to both their communities and to governments. The federal government has looked to native women's associations for policy advice, for information and assistance in alleviating local community conditions and for representation on national issues (i.e. discrimination). This is in response to the fact that native women are poorly represented in their local political structures as well as in other national native representative organizations.

Once legislative change to equality provisions of theIndian Act is accomplished, native woman are expected to shift their focus to community level application of these provisions, thus reducing overlap in activities with other native representative organizations.

ALTERNATIVES

1. Terminate the program.
2. Reduce funding levels.
3. Fold into the National Women's Program of Secretary of State.
4. Introduce Improvements to Existing Program.

PREFERRED ALTERNATIVE

The program is an important vehicle for native development overall and should be continued.

PROGRAM REPORT

CONSTITUTIONAL SUPPORT

PART I (SUMMARY)

OBJECTIVES

To provide Support to aboriginal organizations to particiipate in constitutional discussions.

EXPECTED RESULTS

Funding of research, consultation and participation costs will allow aboriginal groups meaningful participation in the constitutional review process.

NEED

Does the need still exist ☒ YES ☐ NO

Eligible population ☒ STATUS INDIAN ☒ INUIT
☒ METIS/NON-STATUS ☐ OTHERS
☒ LIVING ON RESERVE OR CROWN LAND
☒ LIVING ELSEWHERE

LIMITATIONS

SCOPE OF PROGRAM ($ Million)

	83/84	84/85	85/86	86/87	87/88
$	3.7	3.9			
PYs	-	-	-	-	-

ANALYSIS

	YES	NO	CANNOT ASSESS	SUPPORTING INFORMATION
Objective Valid	☒	☐	☐	☐
Objective Measurable	☐	☒	☐	☐
Achieving Expected Results	☐	☐	☒	☐
Is Need Being Met	☐	☐	☒	☐
Other Results	☐	☐	☒	☐
Alternative Methods of Achieving Results	☐	☐	☒	☐
Substantial Duplication /Overlaps	☐	☐	☒	☐
Administrative/ Management Constraints	☐	☐	☒	☐

CONSTITUTIONAL SUPPORT

PART II (Supporting Detail)

AUTHORITY

Appropriation Act

MINISTER RESPONSIBLE

Secretary of State

RESOURCES ($ Million)

	83/84	84/85	85/86	86/87	87/88
Grants & Contributions	3.7	3.9	4.1		
Operating Expenses					
- salaries					
- O&M					
Capital					
Loans (authorized levels)					
PYs					

DELIVERY BY

Native Local Authorities
Department
Provincial Government
Other

REMARKS

Funds are provided in the form of contributions for salaries and benefits, travel, meetings, workshops, professional fees, overhead and administration.

Constitutional support should continue until the 1987 First Ministers Conference, despite concern that there is substantial overlap with other federally funded activities of representative native organizations.

Category Review

ADMINISTRATION OF JUSTICE

PROGRAMS

Six programs are included at a total 1984/85 budgeted cost of $18.5 million and 202.5 person years. The Appropriation Act, the Indian Act and RCMP Act provide the statutory authorities.

Policing -- DIAND provides financial support to the RCMP for an on-reserve RCMP Special Constable Program. Other DIAND-supported arrangements include independent police forces, and band constables employed by and reporting to band councils ($14.1 million from DIAND; 193 person-years and $128,264 provided by the RCMP).

Aboriginal Initiatives Program -- Consultation Centre; Native Justice Research: These three Solicitor General programs aim to improve native policy and programs in the criminal justice system through research, demonstration projects and dissemination of information ($0.6 million and 6.7 person-years).

Native Courtworker Program -- Justice provides para-legal services to assist accused natives in conflict with the criminal justice system ($3.5 million and 1.8 person-years).

Native Law Students Program -- Support is provided by Justice to assist native people to enter the legal profession ($0.28 million and one person-year).

BACKGROUND

The proportionally higher Indian and native representation in jails, high levels of juvenile deliquency, poor police/community relations, high incidence of violent crime and lack of sensitive preventive services have resulted in a patchwork approach by federal departments and agencies in attempting to respond to the unique needs of Indian communities and individuals. Recent Indian self-government aspirations now raise broader jurisdictional issues with respect to powers of Indian bands and jurisdiction of new native institutions vis-à-vis existing institutions in the justice system.

COMMENT

There is some evidence that Indian community control over such activities as law enforcement, community sentencing, prevention and diversion from the courts can reduce conflict with the law in Indian communities.

Creation of a complete range of administration of justice institutions (policing, courts, corrections, etc.) on every reserve or to serve groups of reserves, would not appear to be financially viable, as few reserves have populations over 1,000. Rather, innovative approaches to dealing with young offenders, victims of crime, sentencing, enforcement, prevention and diversion from the courts at the community level could yield both short- and long-term program savings by reducing conflict with the law in Indian communities.

Levels of service on Indian reserves should be comparable to and compatible with services provided to surrounding non-Indian communities, as federal/provincial/municipal cooperation is essential to effective operation of programs on Indian reservations.

FINDINGS

DIAND's approach to policing programs has been ad hoc in response to the different needs and aspirations of Indian communities across the country. In addition, DIAND has neither the expertise nor the operational responsibility to enable it to conceptualize policing programs in the broader administration of justice context (young offenders, victims of crime, corrections, preventive services, firearms, courts, diversion from the courts, etc.).

Interdepartmental coordination and cooperation in policy and program development in administration of justice issues has been limited, and no clear lead department responsibility exists.

The Native Courtworkers Program is a cost-effective program which encourages federal/provincial cooperation through joint funding arrangements (50/50).

The Native Law Students Program has a high success rate and should be continued for Metis and non-status students (DIAND provides support for status Indians through its post-secondary education assistance program).

PREFERRED ALTERNATIVES

The study team recommends to the Task Force that the government consider the following:

1. Responsibility for federal policy and programs respecting policing on Indian reserves could be transferred to the Solicitor General of Canada, notwithstanding DIAND's existing responsibility for approving band by-laws and providing support to bands for by-law enforcement on reserves, and Justice's responsibility for the legislative and constitutional base governing justice systems overall.

2. An interdepartmental coordinating body could be established by the Solicitor General to oversee the development of Indian policing policy and programs within a broader administration of justice context.

3. Solicitor General, in consultation with Justice and DIAND, could undertake federal/provincial discussions with the objective of achieving maximum benefits for native people from dollars expended on natives by both levels of government in all aspects of the justice system.

POLICING (INAC 995)

OBJECTIVES

To assist and support Indian bands, Inuit communities and individuals to establish and maintain policing services consistent with approved policies and standards.

AUTHORITY

Appropriation Act, Indian Act, RCMP Act; Department - Indian Affairs/ RCMP).

INTRODUCTION

There is no single federal program for policing on Indian reserves. Policing services are provided by the RCMP (enforcement of the Indian Act, by-laws of a non-civil nature and other federal statutes except the criminal code), by provinces (enforcement of the criminal code and provincial statutes) and by Indian band constables (enforcement of band by-laws of a civil nature, policing band property).

Generally, provinces have asserted that policing on reserves is a provincial responsibility (except New Brunswick) and thus most policing services on reserves are cost-shared with the provinces. Most bands will not accept a formula for provincial support above 50 per cent of the program cost.

ASSESSMENT

A 1984 study indicates that the Indian on-reserve crime is 3.5 times higher than the Indian off-reserve crime rate and more than 5.5 times higher than the 1982 national rate.

The demand for policing services depends on the external policing services available, local crime rates and priorities of band councils.

Although municipal governments would normally pay most policing costs, most Indian bands do not have the revenue base to cover the costs of policing.

DESCRIPTION

DIAND contributes to policing services on the basis of the size of the resident population, local needs, salaries and allowances paid in adjacent non-Indian communities and individual qualifications.

Direct and indirect support is provided to 355 Indian communities through four main programs (unit costs must be viewed in the context of actual duties of constables, numbers of communities served by each officer and percentage of cost paid by the federal government).

RCMP Option 3B -- this program is funded 46 per cent by DIAND and 54 per cent by the province but is administered by the RCMP. The constable is accountable to the local RCMP detachment rather than the band council. Full conversion to full RCMP constable status is possible. Officers have full-peace officer status on and off reserves. Average cost per officer is $41,000 in 1984/85.

Ontario Indian Special Constable Program -- this is a joint DIAND (52 per cent)/Ontario Ministry of the Solicitor General (48 per cent)/Indian Associations of Ontario program. Constables are hired by the band and OPP approve their selection, train and post constables, set the terms and conditions of work and supervise performance. Constables have full peace-officer status on reserves. Constables are accountable to both the band council and commissioner of the OPP. The average cost per constable in 1984/85 is $50,099.

Cree and Inuit Policing Program -- this program provides for a phased approach leading to an autonomous policing service under the James Bay Agreement, beginning with management of 30 constables by the Quebec provincial police. In the final phase, the band council will be responsible for the police force. Funding is provided by Quebec directly to the Cree Village Corporation. DIAND provides some funds under general transfers for by-law enforcement under the agreement. No unit costs are available.

Quebec Amerindian Police -- this approach provides an Indian-controlled police service supervised and managed by the "Amerindian Police Council." DIAND funds 100 per cent of the costs. The constables have full peace-officer status on Indian reserves. Band councils are not involved in recruitment or selection of officers posted on their reserves, although most constables are posted on their home reserves. The average cost per constable is $39,053 in 1984/85.

Dakota Ojibway Tribal Council -- this program began as a pilot project to provide preventive policing to eight reserve communities. The program is cost-shared with Manitoba with DIAND providing 81 per cent of the funds. A "DOTC Police Commission" is responsible for the overall program. Constables have peace-officer status limited to their reserves. They enforce provincial statutes, criminal code traffic offences, band by-laws and share investigative responsibility with the RCMP for minor criminal code offences. The average cost per officer is $42,570.

Band Constable Program -- constables are employed by and report to the band council. They are appointed by the RCMP and may be certified by provincial authority to enforce provincial law. Otherwise, they may only handle situations of civil nature and do not carry firearms. The program is funded 100 per cent by the federal government. The average cost per officer is $26,000.

EXPENDITURES ($ Million)

	84/85	83/84
Salaries and Wages	4.1	3.7
Other O&M	.1*	.2*
Grants/Contributions	9.8	9.0
PYs	193**	193**

* Program administration costs appear in Main Estimates for the RCMP.

** Person-years appear in Main Estimates for the RCMP (189 Constables; four HQ Program Administration).

OUTPUTS

General:

- reduced incidence of criminal behaviour on reserves;
- greater acceptability of law enforcement on reserves;
- better police/community relations; and
- reduction of demand on regular law enforcement agencies resulting in cost-saving overall to them.

RCMP 3B Program: 189 constables covering approximately 233 reserves across Canada (except New Brunswick, Quebec and Ontario).

Ontario Indian Special Constable program: 123 constables covering 56 Ontario Indian reserves.

Cree and Inuit Policing Program: 30 constables currently serving Cree and Inuit communities under the JBNQA.

Amerindian Police Program: 72 constables covering 20 reserves.

Dakota Ojibway Tribal Council: 24 constables covering 8 communities.

CONSIDERATIONS

Evaluations of the various approaches do not indicate that one approach is working better than another.

The involvement of the Solicitor General of Canada in federal policy development, program administration or in federal/provincial relations respecting Indian policing is very limited. One question to address is whether DIAND, the Solicitor General or Justice is best placed to take the lead role in federal policy formulation and whether DIAND is best placed to administer policing programs.

The establishment of parallel Indian institutions to existing policing institutions is more costly than utilizing existing law enforcement agencies (i.e. DOTC, Amerindian Police).

Federal/provincial/municipal cooperation is essential to the success of Indian policing programs.

Further research on innovative community approaches in reserve law enforcement practices (as opposed to new and parallel institutional development) would appear to hold promise for cost-savings in policing programs services and in broader administration of the justice system (i.e. community sentencing, travelling courts, etc.).

ALTERNATIVES

Continue the existing "patchwork" approach:

pros - Responds to the needs and concerns of individual communities and provincial sensitivities.

cons - DIAND not responsible jurisdictionally for policing services other than enforcement of band by-laws of a civil nature.

- Solicitor General with broader administration of justice responsibility (RCMP, corrections, Young Offenders, victims of crime, prevention, rehabilitation) plays a minimal role in federal policy, program design or administration of Indian policing programs.

- DIAND not well-placed to manage related federal/provincial justice issues bearing on the effectiveness of policing programs.

Transfer policy and program responsibility to the Solicitor General of Canada:

pros - Policing on reserves could be integrated with Solicitor General's other responsibilities (Young Offenders, Corrections, RCMP, victims of crime, prevention and rehabilitation) to ensure maximum effectiveness of policing programs and their integration with other local administration of justice activities.

- "Native self-government" aspirations for community-based justice institutions relate to the "broader administration of justice" context and could be better addressed by the Solicitor General.

- Would allow federal/provincial jurisdictional aspects regarding the scope of Indian policing to be addressed in a more comprehensive manner (i.e. role of the RCMP in Indian policing, application of native jurisdiction off reserves, inter-jurisdictional coordination, federal cost-sharing percentages, etc.).

cons - Historical approaches of Solicitor General to justice issues may be less sensitive to Indian community-level concerns and aspirations than DIAND.

Transfer policy development responsibility to Justice:

pros - Justice is currently responsible for constitutional development respecting aboriginal people as well as the courts.

cons - Policy development and program administration responsibility would be split.

- Solicitor General has operating authority for the balance of the justice system.

CONCLUSIONS

Indian police programs are generally more effective than regular policing services in meeting the needs of reserves for policing services. Further research on innovative community approaches to law enforcement and administration of justice on reserves could yield future cost savings by reducing the need for duplicate Indian institutions and the demand on existing institutions.

DIAND appears to have gone as far as it can in developing Indian policing policy and programs on reserves. Further, increasing the size of police forces does not in itself address causes of unlawful activity on reserves or encourage new approaches to policing. Complex jurisdictional and constitutional issues are raised which are beyond DIAND's scope to address in a comprehensive manner.

Indian policing programs cannot be viewed apart from the broader administration of justice context particularly since Indian self-government aspirations involve broader questions of powers of bands in the justice field, federal/ provincial jurisdiction and development of new Indian institutions in the administration of justice area.

Policing services for Indian communities should be comparable to and compatible with adjacent non-Indian communities; while cost-effectiveness can be achieved through grouping of services for bands in certain geographic areas, efficiency can also be achieved through joint Indian/ non-Indian programming.

PREFERRED ALTERNATIVES

Responsibility for federal policy and programs respecting policing on Indian reserves could be transferred to the Solicitor General of Canada, notwithstanding DIAND's existing responsibility for approving band by-laws and providing support to bands for by-law enforcement on reserves, and Justice's responsibility for the legislative and constitutional base governing justice systems overall.

An interdepartmental coordinating body could be established by the Solicitor General to oversee the development of Indian policing policy and programs within a broader administration of justice context.

NATIVE JUSTICE PROGRAMS
(SOL. GEN. 902, 903, 904)

OBJECTIVES

To improve native policy and programs in the criminal justice system through research, demonstration projects and dissemination of information.

AUTHORITY

Appropriation Act; Department - Solicitor General)

INTRODUCTION

The 1975 Federal/Provincial Conference on Native Peoples and the Criminal Justice System highlighted the main problems of native offenders and the disproportionate representation of native people in conflict with the law and incarcerated in federal and provincial prisons. The Solicitor General took the key federal lead on the further review and implementation of the recommendations because of its broad policy and program coordination role in respect of crime-prevention, policing, inmate, parole and victim programs.

ASSESSMENT

Indians are far more likely than non-Indians to be admitted to correctional centers, generally serve longer sentences and are less likely to be placed on probation. This problem remains unresolved. Federal/provincial and native-managed preventative and remedial programs to address the particular circumstances facing native offenders, both adult and juvenile, require a high degree of cooperation to ensure maximum program impact.

DESCRIPTION

The three Solicitor General programs are small budget items and managed mostly by its Programs Branch. Consequently, the Aboriginal Initiatives, Consultation Centre, and Native Justice Research programs are combined for the purposes of this review.

A small headquarters research and policy development group supported by two designated field staff do research, evaluation, statistical studies. They also finance and monitor community-based alternatives to current federal and provincial programs, and coordinate activities at the national and regional levels.

EXPENDITURES ($ Million)

	83/84	84/85
Salaries and Wages	0.1*	0.3*
Operating	0.1*	0.1*
Contributions	0.2	0.2*
PYs	2.8	6.7

* Estimated.

OUTPUTS

The policy and program development services cannot be easily quantified. This, of course, is true of most corporate-type functions in headquarters offices.

Seventeen active native demonstration projects are now financed by the secretariat in areas of crime prevention, juvenile programs and, more recently, victims. The projects are developed in cooperation with provincial governments. The maximum funding period is three years and it is hoped either provinces, other federal departments or private agencies will assume continuing responsibility. About $1.7 million has been spent on native projects since 1976.

Research and statistical studies are geared to demands for key baseline data which do not currently exist.

CONSIDERATIONS

The whole administration of justice area is fraught with federal/provincial jurisdictional overlaps. The Solicitor General's mandate to deal with the diverse program delivery needs and policy demands apparently made of it are unclear. Indeed, there are indications that they are not yet in a position to define their native policy.

Many of the demonstration-type project contributions made since 1976 have been continued either by provincial governments or other federal departments after the three-year Solicitor General funding period. The other projects consisting of workshops, training development, research and needs assessments are preparatory in nature and are not meant to be sustained. Only about 10 per cent of the program expenditures fall into the latter area.

About 70 per cent of the incidents of crime committed by all native offenders is off reserve, but recently pressure has mounted to finance on-reserve projects of a highly developmental nature (some in the context of Indian self government initiatives). This creates a competitive funding situation for a very limited amount of resources.

DIAND, Department of Justice, RCMP, and Correctional Service all have programs aimed at natives and endeavour to coordinate activities through interdepartmental and intra-ministerial committees. Some of these programs provide only on-reserve Indian services while others provide them to on- and off-reserve Indians and natives, in general.

ALTERNATIVES

Considering the apparent dearth of data and large number of users, it might be useful to "pool" the resources invested by the federal government by requesting other federal departments and/or provincial governments to support such research collectively and parcel out some contracts to universities or native agencies. No federal resource reductions can be expected in the short run, but joint research could reduce overlaps, promote cooperation, and obtain the best value for funds spent.

Both the policy development and contract/contribution activities focusing on justice matters related to Indian self-government could be "frozen" until the current government decides how to pursue and finance the concept. Until this decision is made, Solicitor General Secretariat resources (person-years and dollars) should concentrate on programming and policy to address native offender, inmate, probation and victim issues.

PREFERRED ALTERNATIVES

The Solicitor General programs are small and attempt to cover a diverse set of increasing demands including the coordination of federal activities directed at the native population. This can be done more effectively if the various native justice programs are consolidated under one management structure. At the same time, some economies of scale would result but, most importantly, client access and client understanding of the federal role across the native justice sector would be improved. At the national level a representative from the Native Courtworkers and Native Police programs (perhaps others) should be asked to assist in program development and the determination of priorities (including federal resource allocation). These individuals could then reflect needs as viewed from the provincial and local level.

Indian self-government projects in the justice sector should be deferred until federal policy is confirmed.

CONCLUSION

The demand is great for justice programs which can effectively deal with the disturbing situation of natives in conflict with the law. Due to the limited supply of funds and staff to address these issues, a better defined, consolidated federal strategy is required to ensure maximum benefit.

NATIVE COURTWORKER PROGRAM (JUSTICE 120)

OBJECTIVES

To maintain para-legal services which assist accused natives in conflict with the criminal justice system.

AUTHORITY

Appropriation Act; Department - Justice.

INTRODUCTION

The native courtworker concept originated in western urban centers in the early 1960s and was funded by means of short-term federal financing. In 1973, the program was consolidated within the Department of Justice on a pilot project basis. On-going program status came in 1978/79.

ASSESSMENT

While there has been some decline (about 5 per cent over four years in some regions) in native incarceration rates, there remains a vast difference when compared to non-natives. Evidence also indicates natives are not familiar with and are intimidated by the adversarial nature of the court system. Consequently, an intervention-type program operating in urban, rural and remote areas to bridge the educational and cultural gap is considered necessary.

DESCRIPTION

Contributions are paid to provincial or territorial governments on a 50/50 cost-sharing basis. Currently, 158 court workers ranging from a low of three in Labrador and a high of 42 in British Columbia offer para-legal services to accused natives.

EXPENDITURES ($ Million)

	83/84	**84/85**
Salaries & Wages	70.0	60.0
Contributions	2,900.0	3,400.0
Other Operating	10.0	10.0
PYs	1.8	1.8

OUTPUTS

Courtworker activities include counselling to native persons charged under any federal or provincial statute or municipal by-law, jail visitation, arranging for legal counsel, assisting in paroles, family counselling, preparation of pre-sentence reports, and interpreter service.

No program services are available in Prince Edward Island, Nova Scotia or New Brunswick.

Evaluations recommend continuation of the program. Findings suggest the program has been instrumental in bringing down incarceration rates. In Saskatchewan it is suggested the program costs have been offset by the reduced incarceration expenses.

CONSIDERATIONS

The cost of incarceration was estimated at $22,000 per year (1982 constant dollars). Incarceration rates for native inmates are very high in certain provinces (more than 60 per cent of inmates in Saskatchewan) and are predicted to climb upwards. Longer sentences and less likelihood of parole are also problems facing native people.

While there does not appear major delivery or overlap problems, Justice officials have expressed concern about their inability to influence the placement of courtworkers into high priority areas. These matters are apparently viewed as falling into the province's jurisdiction and therefore the federal government does not interfere in these decisions.

Over the last two years about six to 12 courtworkers were laid off in British Columbia and Saskatchewan due to austerity measures imposed by the provinces.

1984/85 regional expenditures are:

	$000s
British Columbia	715.1
Alberta	773.0
Saskatchewan	472.2
Manitoba	216.6
Ontario	435.4

Quebec	381.5
Newfoundland	72.4
Northwest Territories	242.4
Yukon	59.9
Prince Edward Island	16.9
Other Projects	30.0
	$3,415.0

Manitoba and Saskatchewan expenditures appear very low when compared to British Columbia and Alberta, especially in light of the reported high crime and incarceration rates.

ALTERNATIVE

Considering the level of federal financial support to a very desirable program, a base expenditure clause could be optionally introduced into federal/provincial agreements. When it appears provincial cuts would affect high priority service areas, federal funds would be kept at previous year levels plus inflation in order to ensure some level of service for a pre-determined period (perhaps three years). No federal enrichments to the base expenditure levels would be permitted until the province re-establishes its funding levels.

CONCLUSION

No significant modifications are proposed.

NATIVE LAW STUDENTS PROGRAM (JUSTICE 11)

OBJECTIVES

To encourage native people to enter the legal profession.

AUTHORITY

Appropriation Act; Department - Justice.

INTRODUCTION

In 1972, only seven native lawyers were identified, yet there clearly was a large need for such professionals. Therefore, an affirmative action program to attract and educate lawyers was initiated by the Department of Justice.

ASSESSMENT

The rapid escalation of native issues in the field of constitutional, civil, and criminal law and the low representation of native people in the legal profession strongly suggests an affirmative action program is required.

DESCRIPTION

Grants are provided to 10 selected Metis and non-status Indians to enter pre-law and law studies at various universities. The grants provide financial support for tuition costs and living expenses for a maximum of three years and can include completion of the various admission courses and the master's degree program.

EXPENDITURES ($ Million)

	83/84	84/85	85/86	86/87
Total Scholarships	0.13	0.21	0.28	.35
PYs	.1	.1	.1	.1

OUTPUTS

Forty-four students have graduated since 1972. Success rates are now at about 100 per cent (for the years 1977/81, it was 100 per cent).

OBSERVATIONS AND CONSIDERATIONS

Until 1984/85, the program budget was geared to five participants per year. Based on a 1983 evaluation and superior success rates the program was increased to 10 (the evaluation recommended 25).

There appears to be a large disparity between the ratio of native lawyers to the native population (four per 10,000) compared to a ratio of non-native lawyers to the non-native population (14 per 10,000).

Minimal program overhead cost and excellent performance ratings indicate little room for greater efficiency or improvement.

There is no other similar principal program designed for Metis and non-status law aspirants. The Indian and Inuit students receive support for educational assistance from DIAND.

ALTERNATIVE

A matching scholarship program with a maximum federal limit could be promoted with provincial governments and major corporations with particular interest in the native field. This would place some responsibility on other parties, and lessen the pressure on the federal government. It might also double the scholarships from the current level.

CONCLUSION

The law student program model could be applied to other prime demand, professional fields. An example would be business administration or commerce. Another approach would be to apply it to any university degree so that selections are based on scholastic performance (e.g. a "Rhodes scholarship" for native people).